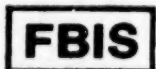


JPRS 84099

11 August 1983

Latin America Report

No. 2722



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

11 August 1983

LATIN AMERICA REPORT

No. 2722

CONTENTS

ENERGY ECONOMICS

CUBA

Construction of Two 220-kw Lines in Matanzas Under Way (Joaquin Oramas; GRANMA, 18 Jun 83)	1
Plan To Cut Electricity Overconsumption in Pinar del Rio (Marcelino Ortiz C.; JUVENTUD REBELDE, 14 Jun 83)	3

COUNTRY SECTION

ARGENTINA

Former Minister Calls for Pragmatic, Coherent Foreign Policy (Alvaro Alsogaray; LA NACION, 17 Jul 83)	5
Camilion Foresees Post-Election Economic Chaos (LA VOZ, 10 Jul 83)	10
Economic Necessity Drawing Nation Closer to Third World (LA VOZ, 11 Jul 83)	12
Middle Parana Project Generates Disagreement (LA NACION, 3 Jul 83)	14
Third of Six Planned Corvettes Launched (CONVICCION, 25 Jun 83)	16

BERMUDA

Environmentalists Said To Bar Action on Needed Housing (THE ROYAL GAZETTE, 9 Jun 83)	18
Oil Pollution Incidents Decline; Coral Surviving Okay (THE ROYAL GAZETTE, 3 Jun 83)	20

BRAZIL

Guerreira Denies Foreign Policy Conflict With Military Ministers (O ESTADO DE SAO PAULO, 20 Jul 83)	21
CTA Piranha Missile To Be Produced in Three Versions (Helio Contreiras; O ESTADO DE SAO PAULO, 19 Jul 83) ...	23
Largest Deficit Recorded in Trade With Middle East (O ESTADO DE SAO PAULO, 23 Jul 83)	25
Losses of 1982-1983 Agricultural Crop Reviewed (Editorial; O ESTADO DE SAO PAULO, 19 Jul 83)	26
Briefs	
Foreign Debt Moratorium Urged	28
Import Policy Scored	28
New EMBRAER Passenger Plane	29

COLOMBIA

Gerlein: U.S. Prevented Country's Adherence to GATT Codes (EL ESPECTADOR, 8 Jul 83)	30
DAS Finds Arms Cache, Ammunition in Northern Bogota (EL TIEMPO, 14 Jul 83)	33
Participation of Bloc Nations in OIC Agreement Discussed (EL TIEMPO, 14 Jul 83)	34
PROEXPO Financing Difficulties, Impact of Port Strike Viewed (EL ESPECTADOR, 15 Jul 83)	36

COSTA RICA

Briefs	
New Fishing Coordinator	39
Ambassadorial Resignation	39
New Airport Radar, Lights	39
Pro-Sandinist Celebration	39
Trade Agreement With Honduras	39
New U.S., Guatemalan Ambassadors	39

CUBA

Briefs	
International Spare Parts Forum	40
New Struggle Against Racism	40

DOMINICAN REPUBLIC

Jorge Blanco Discusses Northeast Development (LISTIN DIARIO, various dates)	41
Speech Reported, by Salvador Jorge Blanco Paper Hails Speech, Editorial	

EL SALVADOR

Handel Interviewed on Political Strategy, U.S. Role in Central America (Shafik Jorge Handel Interview; SOVETSKAYA ROSSIYA, 25 Mar 83)	53
IADB Approves Loan for Sonsonate Project (LA PRENSA GRAFICA, 2 Jul 83)	56
PPS Proposes Special Incentives for Eastern Departments (EL MUNDO, 5 Jul 83)	57
Monetary Board Seeks Jail Terms for Black Market Exchange (EL MUNDO, 1 Jul 83)	58
Briefs	
Coffee Exports to Argentina	60
IMF Commitments Met	60
Worker Compensation Awards	60
Medicine Prices Questioned	61

GUATEMALA

Monetary Board Authorizes 400-Million Quetzal Bond Issue (PRENSA LIBRE, 8 Jul 83)	62
Finance Minister Announces Reduction in Next Budget (PRENSA LIBRE, 7 Jul 83)	63
CIEN President Points Out Defects in Present Tax System (DIARIO EL GRAFICO, 6 Jul 83)	64
Income Tax Reforms Proposed To Stimulate Growth (DIARIO EL GRAFICO, 6 Jul 83)	67
Bishops Voice Concern About Protestant Proselytism (Various sources, various dates)	69
Athletic Programs Exploited Bishops Meet With President	
Coffee Industry Greatest Source of Rural Employment (DIARIO EL GRAFICO, 6 Jul 83)	72

Credit to Apple Growers Cooperative Extended (PRENSA LIBRE, 8 Jul 83)	73
--	----

Briefs

Patrols of Territorial Waters Increased	74
Trade Mission to Taiwan	74
Sugar Harvest	75

MEXICO

PAN Letter to President Condemns Election Related Violence (EL NORTE, 1 Jul 83)	76
--	----

Chiapas Governor Discusses State Problems, Policies (EXCELSIOR, various dates)	78
---	----

Silva-Herzog Sees Financing Development as Basic Problem (J. Jesus Rangel M.; EXCELSIOR, 22 Jun 83)	86
--	----

Industrial Wages Increase No More Than 25 Percent (Humberto Aranda; EXCELSIOR, 16 Jun 83)	89
--	----

Official Comments on Sales of Government Industries (Mario Barreiro Interview; EXCELSIOR, 27 Jun 83)	92
---	----

Briefs

Massacre Denied in Chiapas	96
----------------------------	----

NICARAGUA

Scate Council Members Discuss Elections (Rafael Solis, et al Interview; EL TIEMPO, 3 Jul 83)	97
--	----

Colombian Journalist Describes FDN Combatants, Battles (German Santamaria; EL TIEMPO, various dates)	103
---	-----

Government To Continue Socioeconomic Development in North (BARRICADA, 24 Jun 83)	118
---	-----

Construction Ministry To Continue Projects Despite War (BARRICADA, 22 Jun 83)	121
--	-----

Workers To Repair Machinery, by Lidia Hunter
Minister's Statement

Briefs

Popular Action Movement Publication	124
Peasant Demonstration in Granada	124
GDR Donation	124
Tax Collection	124
Donations From Spain, Canada	124
New Guyanese Ambassador	124
Agroindustrial Development in Jalapa	125

PERU

Link Between Senderist, Maoist Cultures Examined (M. Isabel Sequel; WRCILLA, 22 Jun 83)	126
Shining Path Activities, Developments in Ayacucho Reported (Havana International Service, 25 Jul 83)	129
Briefs	
Bomb Explosions in Ayacucho	130
Talks With Clandestine Groups	130

TRINIDAD AND TOBAGO

GUARDIAN Slams Government's Fiscal Policy on Oil (Editorial; TRINIDAD GUARDIAN, 18 Jun 83)	131
New Borrowing Limit for Government Approved; Opposition Assails Move (TRINIDAD GUARDIAN, various dates)	133
Parliamentary Action	
Opposition Charges, by Norris Solomon	
Internal Borrowing	
Political Parties Trade Charges in Parliament, Rallies (TRINIDAD GUARDIAN, various dates)	138
Debate on No-Confidence Motion, by Norris Solomon	
PNM Demonstration, by Vashty Maharaj	
Tobago PNM Backing	
ONR Attack on Chambers, by John Alleyne	
Further ONR Criticism	
Support for Chambers	
Panday Determination	
Blast at Opposition	
Tapia House Resolution	
Tobago Maintains Spotlight on Issues of Local Concern (Various sources, various dates)	145
Opinion on Amendment Vote	
Panday's Position	
Tobago Call for Corruption Probe	
Request for Official Residence, by Compton Delph	
Government Salary Demands	
Assembly Staff Shortages	
Safeguarding Tobago History	
1984 Tobago Budget	

Unions Concentrate on Retrenchment, Leadership Activities (TRINIDAD GUARDIAN, various dates)	151
---	-----

Call for Government Action
 Teachers Union Warning
 Views of New CWU Head
 Call for Land Grants
 Panday Reelection

Briefs

Cocoa Farmers' Losses	155
Favorable Trade Balance	155

VENEZUELA

Monetary Liquidity Rose by 2.03 Percent (EL UNIVERSAL, 1 Jul 83)	156
---	-----

CONSTRUCTION OF TWO 220-KW LINES IN MATANZAS UNDER WAY

Havana GRANMA in Spanish 18 Jun 83 p 2

/Article by Joaquin Oramas/

/Text/ Brigades of the Basic Industry Ministry's Western Civil Construction Group are constructing two 220-kw lines, giving greater flexibility to the Matanzas Province electric power system.

One of the lines will link the 220-kw substation that will be built near the Matanzas capital and the 220-kw central line that extends from Havana. The other line starts at the thermoelectric plant under construction near Matanzas.

The electric power development work is completed with another 220-kw line that will link the new plant and the substation.

The first of the two aforementioned lines will be 25 km long. The work is now in the civil construction phase of foundations and distribution and assembly of the galvanized steel structures that will hold the conductive and safety cables.

As noted by Claro Lorenzo, in charge of the project, one of the most complex phases currently is under way because of unfavorable weather conditions for construction of the foundations. In this phase, dynamite is used 70 percent of the time to make the holes where the foundations will be installed, because vegetation in the area where the line will be extended is very fine and lies over a compact rocky base.

The assembly work brigade headed by Miguel Jimenez Mora has become the project's outstanding unit, setting a record on assembling the steel structures. Last year this brigade assembled seven angle towers in a month during construction of the 220-kw line from Sagua de Tanamo to Moa. Such structure are the most complex. They weigh 34 tons and are 36 meters high.

Angle towers permit making changes to the line's path, in addition to serving as support for the cables. The latter is the main function of tangent structures, which also are made of galvanized steel and weigh 9 tons.

Workers of Jimenez Mora's brigade are working skillfully on the assembly of sections and of towers in general. Several young men who came from the contingent mobilized some years ago on the Sierra Maestra to specialize on electrical construction are working with the brigade. Jimenez Mora, who lives in Caney de las Mercedes, is one of the most skillful on such structures and particularly on assembling the rhombuses and planes that are the fundamental sections of the tower. The rhombuses form the first section of the structure's body, while the planes are the arms on which the cables lay.

The Matanzas assembly brigade completed two angle and seven tangent towers in April. It is now preparing to raise productivity and break its own record established in the Sagua de Tanamo-Moa line, "as long as we have enough materials and on time," Jimenez Mora explained.

9925

CSO: 3248/1045

PLAN TO CUT ELECTRICITY OVERCONSUMPTION IN PINAR DEL RIO

Havana JUVENTUD REBELDE in Spanish 14 Jun 83 p 3

/Article by Marcelino Ortiz C./

/Text/ A pilot plan to cut off electric service to production or service centers that consume more energy than planned will be conducted in Pinar del Rio Province, as a conservation measure in that province.

In this regard, Rodolfo Diaz Cue, vice president of the Provincial People's Government Committee for Energy Conservation, reported that the idea of cutting off service arose at the pertinent plenum held in that province in March and chaired by Politburo member Pedro Miret.

The need to apply a system, he said, to control electric power consumption in state enterprises and organizations was raised there.

The first question concerned organization and discussion of this novel measure. Implementation of the system then was organized after studying similar experiences in the Isle of Youth.

First of all, he noted, the idea is that all enterprises with established electric power consumption figures for 1983 will allocate them to the work place level so as to have planned consumption for each unit or establishment, service center, and so forth.

Using the meter reading as the basis, this means that we already know how much will be consumed by a grocery, kiosk, juice stand and any other unit, no matter how small, that has to consume electric power.

The People's Government Executive Committee and Party Executive Bureau in the province approved the plan after it was discussed with and explained to all concerned.

What Is Electric Service Suspension?

Cutting off electric service, Diaz explained, is nothing more than the suspension of service to work places that consume more electricity than they had planned for the month, thereby establishing vigilance so as not to waste electricity.

Let us say that a production center has to consume 20 kilowatts in a month and consumes that amount before the end of that period. Based on the authority of the Conservation Committee, we cut off service and the work place is left without it.

This, of course, has been organized in various ways. There is a group of centers to which suspension of service is made by the electric power enterprise, without the involvement of any other authority.

Suspension of service to other more important centers, he stressed, is done with prior authorization of the party leadership and government in the municipality. There is a third, more important group from an economic viewpoint and its service will be suspended with the authorization of the party and government in the province.

Diaz went on to explain that when electric service is suspended, the center must pay the electric power enterprise for reconnection. Payment must be done in cash by the administrator or by the one responsible for the high consumption that forced the suspension, and never by the state.

The second penalty is discussion of the reasons why service was suspended with the party and government in the municipality or province, whichever the case may be.

This plan, Rodolfo Diaz said, is being implemented since May on a trial run basis, in other words, as an experimental measure, and will continue as such throughout June.

Over these months, we have been explaining to enterprises and units the warning of service suspension and we proceed as if we actually were suspending service so that it will serve as a warning of what will actually happen when the plan is actually implemented.

These measures will be actually applied starting on 1 July, and the suspension of service will be carried out. We are urging centers to read their meter daily so that at the end of the month they are not surprised by the suspension of service.

We believe the plan will cause a considerable saving of electric power, and we hope it will be a positive one from every viewpoint.

In fact, he concluded, the saving has been quite high where the plan has been conducted on a dry run basis in April, May and June. Therefore, we believe that savings figures will be higher in July when the plan will actually be implemented.

9925

CSO: 3248/1045

FORMER MINISTER CALLS FOR PRAGMATIC, COHERENT FOREIGN POLICY

Buenos Aires LA NACION in Spanish 17 Jul 83 p 11

[Article by Alvaro Alsogaray: "Argentine Foreign Policy"]

[Text] Starting in 1962 (Punta del Este Conference), extending through 1964 (the country's inclusion in the nonaligned group), 1970 (Lt Gen Lanusse's embrace with Allende) and 1974 (political-commercial dealings with, and commitments to Qadhafi and the Third World), up until our time (former Foreign Minister Costa Mendez' rapprochement with Fidel Castro, President Bignone's trip to New Delhi and meetings with Arafat and other prominent persons), Argentina has given up its tradition and its proud intention of becoming a great nation, and has undertaken the gloomy path of socialism. During that interval it has moved ridiculously toward the most backward countries on the globe, most of which operate in the Soviet orbit or withstand totalitarian regimes wherein the most complete disdain for human rights prevails, receding to an increasing extent in the assembly of nations.

This tendency is becoming marked at present, perhaps not so much as a result of a deliberate intention as stemming from the lack of a well-defined foreign policy, with clearcut goals, which would consider our long-term interests. Our international relations are improvised and conflicting, not to mention disrupted. We know neither what we are seeking nor where we are going. The only certain thing is what has already been noted: We are turning dangerously in the direction of Marxist socialism. When we realize it, it will most likely be too late. It will be difficult for us to react, assuming that at that time we are still in a position to do so.

The Malvinas Trauma

It is difficult to determine the long-term, deepseated reasons that have caused this movement, but insofar as the immediate situation is concerned, they lie in our blindness regarding the Malvinas problem, and particularly in the fact that we have not made a real, critical analysis of it. We have been obfuscated by our defeat, and we have not managed to devise a coherent and serious foreign policy that would enable us to recover the islands and to resume the position to which we can aspire among the leading nations of the world. We must not continue in this fashion.

Apart from our increasing isolation in the civilized, free world, we have pressing problems with Chile, others are brewing with Brazil, and the confused and stupid

way in which we are dealing with the Malvinas issue is fostering Great Britain's consolidation in the islands, which precludes the possibility of retrieving them.

For these reasons, which were already completely clear to us within a few months of the surrender of Puerto Argentino, we demanded, last August, an exhaustive investigation of the politico-diplomatic aspects of the Malvinas war. Subsequently, the government appointed the Rattenbach commission for this purpose; but the latter, incomprehensibly, has not yet dealt with it. For our part, with the documents and information at our disposal, we have made our own analysis. We recently made its conclusions known publicly. I would like to reprint them here, with some additions to supplement them.

Conclusions Regarding the Political and Diplomatic Aspects of the Malvinas War

1. We were dragged into a disastrous war as a result of decisions by the Military Junta at the time and the foreign minister who was approving its actions. The blame is shared by those four persons. The differences in "degree" of that blame, if they exist, will have to be explained separately.
2. Although the action of 2 April was one of courage which aroused the patriotic sentiments of all Argentines, it was a violation of the United Nations Charter, of which we are signatories. For that reason, Argentina was declared an aggressor country by an overwhelming majority of votes.
3. The action was decided on the basis of a totally erroneous diplomatic, strategic and political assessment. It was thought that Great Britain would react only moderately, that the U.S. would be on our side, that we would receive a favorable vote of 9 to 5 or 8 to 6 in the United Nations Security Council, and that, at worst, if the resolution was unfavorable to us, the Soviet Union or China would veto it; that many nations, particularly the nonaligned ones, would back us, and that, in any event, our military capacity and proximity to the theater of operations would enable us to wage a war under favorable conditions. Later, when the conflict has already been triggered, it was thought that the British people and the parliamentary opposition would bring about the fall of the prime minister, Mrs Thatcher, thus paving the way for peace. None of those hypotheses were actually fulfilled. On the contrary, events followed a diametrically opposed course. The military commanders and the forces under their orders were sent to the battlefield without the slightest chance of success, owing to the aforementioned political, diplomatic and strategic errors. They were put in a position of waging a war against Great Britain (backed by the U.S.) with precarious facilities and 18-year old troops with only 6 months of military training.
4. The Argentine Government was warned before undertaking the action that the U.S. could by no means support it, and that if the conflict erupted, Great Britain would unquestionably fight to the end. This warning was given directly to Foreign Minister Costa Mendez, and also to President Galtieri, by President Reagan, by means of a very lengthy telephone message early in the morning of the landing. In the event that the Argentine Government should persist in its position, the U.S., a natural ally of Great Britain, would have no alternative other than to be on the latter's side. Those warnings were totally unheeded and even disparaged.

5. During the negotiations subsequent to 2 April and up until 3 days before Great Britain began its final offensive, the government had four opportunities to resolve the conflict honorably and with great advantages. They were: the Haig proposal, that of Belaunde Terry, that of Perez de Cuellar and that of the British Government itself, as recorded in the white paper of 17 May 1982. If any of those proposals had been accepted, we would now be in the islands, our flag hoisted beside that of Great Britain, and that of the U.S. or the United Nations, and we would be gathered around the negotiating table. Because of differences concerning a word which supposedly could have jeopardized the future, we irresponsibly cast aside those opportunities, with the aggravating factor that, owing to that position and that mistaken calculation, the recovery of the islands is now more far removed than ever.

6. As for the Haig proposal, it should be noted that it was drawn up on the basis of points suggested by the foreign minister himself, Dr Costa Mendez, in New York, and a few days later, that proposal was rejected in Buenos Aires. Many other inconsistencies of that type marked the progress of the negotiations, ending with the surrender of Puerto Argentino.

What We Must Do

The foregoing conclusions clearly indicate the path to be pursued. It may be described as follows:

1. Recovering the islands is an irrevocable goal for us.
2. That goal can and must be attained by peaceful means only.
3. We must consider this war ended. If we ever had to deal with another conflict (which would be warranted only if we were attacked by external or internal enemies), it would be another war, but not the one that we have just waged.
4. On the basis of what has been established in the previous point, we must restore our relations with all countries, particularly with the nations of the free world, wherein individual liberties and the dignity of the human person are respected. We must give up the political flirting with dictatorships of totalitarian regimes and backward nations which by no means have any interest in our problems and which cannot contribute anything to us.
5. With the United States' intervention, we must resume the negotiations with Great Britain as soon as possible, before the latter feels encouraged to consolidate its occupation of the islands. Mrs Thatcher's recent electoral victory affords a good opportunity for doing so.
6. We must assume a flexible stance in those negotiations, with long-term goals that will finally lead to the desired end. Obviously, the features of those negotiations cannot be detailed in this article, but I stress at the outset that the channels of communication for carrying this policy forward exist.

When freed from this kind of trauma related to the Malvinas, we shall be equipped to devise our long-term foreign policy. Generally speaking, it should be none

other than the one promoted by UCD [Christian Democratic Union] which, in summary, consists of the following:

1. To maintain the best relations with all countries, not precluding a firm defense of national interests when the latter clash with those of other nations. This is based on the criteria set forth in the following points.
2. Ideologically, Argentina should take its place on the side of the nations wherein there is respect for individual liberties, the dignity of the human person and human rights.
3. In the economic, financial and commercial areas, it should maintain relations with all countries, whatever the political system prevailing in them may be.
4. Argentina should not become associated with any power or group of countries having political intentions of hegemony or superiority, even though they may be concealed by supposed affinity of cultural or commercial interests. Specifically, the country should review and curtail its relations with the so-called Third World bloc or nonaligned countries. On the other hand, it should place stress on its cooperation with the Organization of American States (OAS) and the United Nations. The bonds with the Latin American countries will be affirmed.
5. Argentina should continue its traditional position of settling its international controversies through peaceful means, in accordance with law and with the standards and practices of the United Nations. It will resort to arms only if attacked.

Dangers Hovering Over the Country

The irrationality of nationalism at all costs, which misappropriates patriotic sentiments and sound aspirations for greatness that the Argentine people have always had, has dragged us into a situation which entails serious and very concrete dangers. We must clearly realize that we are exposed, over the short term, to:

1. Losing the islands permanently, if Great Britain is prompted to become consolidated on them. At the present time, it is investing \$1 billion per year for that purpose.
2. Becoming even more isolated with respect to the free world.
3. Finding our financial and economic difficulties increased, which would mean an unjust penalty for the population.
4. Being dragged into Third World problems, which having nothing in common with ours.
5. Depending increasingly on the socialist-communist countries, which will not take long to attempt the country's destabilization, as is occurring in El Salvador, Guatemala, Nicaragua and other parts of the continent.
6. More immediately, experiencing an exacerbation of our conflict with Chile and of the issue with Brazil, which we are confronting under unfavorable conditions from the standpoint of the international community.

These dangers can and should be averted, but for this purpose we must pursue a sensible and coherent foreign policy, and not allow ourselves to be dragged along by the emotional impulses based on that outworn, irresponsible nationalism that has forced the country to haul down its flag for the first time since the Declaration of Independence.

True nationalism is the kind which seeks the country's greatness through intelligent, civilized methods, and not through irresponsible adventures which only lead to failure, disappointment and defeat.

2909

CSO: 3348/573

CAMILION FORESEES POST-ELECTION ECONOMIC CHAOS

Buenos Aires LA VOZ in Spanish 10 Jul 83 p 5

[Text] Formosa--The former foreign minister of the nation and MID's [Integration and Development Movement] senator representing the federal capital, Oscar Camilion, stated here: "After the elections there will be a period of enormous lack of control in the economic area, based fundamentally on a very poor wage situation."

He also claimed that the next government "will have to restate its socioeconomic plan"; and, regarding the Beagle dispute, he declared: "There must be a decision in the government to assume responsibility for dealing with and solving the problem."

His statements were made the night before last at a press conference, after meetings held with MID leaders in Formosa, and following his officiating at the closing of the meetings held on floods which took place in this city, attended by party representatives from the Argentine coast.

With regard to the water phenomenon, Camilion expressed the view that it involved "a catastrophe with international projections, which has not had sufficient publicity to properly inform the rest of the world and the country of the reality of the problem."

He added: "The Hernandarias tunnel under the river had to be in danger to make us Argentines realize what is really happening."

In discussing the Malvinas episode, he said that, since it occurred, "Latin America has awakened, but the conflict itself is also an alert for the Argentines, proving that the country cannot draw the lines of international power by itself alone."

In Camilion's opinion, Argentina "must resume its place in the world mentally, overcoming underdevelopment"; and, regarding the force of the TIAR, he claimed that "it is obsolete," but explained that this "does not mean that it is finished. It could be useful for holding economic exchanges and consultation meetings, but not to preserve a hemispheric security policy."

On the topic of the general elections of 30 October, the former foreign minister expressed the view that, "They are a necessary condition, but not a sufficient one, for solving all of Argentina's problems." He added: "Constitutional stability is also required."

He subsequently remarked: "I have no doubt that, after the elections, there will be a period of enormous lack of control in the economic area, based fundamentally on a very poor wage situation"; calling for "a restatement of the socioeconomic plan by the next government."

Concerning the Beagle, he declared: "The sooner the problem is solved, the better it will be for the future constitutional government; because, otherwise, it will be a factor for governmental instability."

2909

CSO: 3348/573

ECONOMIC NECESSITY DRAWING NATION CLOSER TO THIRD WORLD

Buenos Aires LA VOZ in Spanish 11 Jul 83 p 12

[Text] The visit by a major trade mission to Cuba, the opening of a consulate in the Indian city of Bombay for the explicit purpose of increasing exchanges with that country and the agreement with Bolivia aimed at improving the export-import transportation to Peru, occurring simultaneously during the past few days, attest to the need for increasing relations with the Third World countries that has arisen as a result of the critical Argentine economic situation, as well as the restrictions imposed by the industrialized nations.

Insofar as the mission visiting the Caribbean country is concerned, it was officially reported that it consists of private business owners and officials of state agencies, and that the trip was intended to increase exports to that socialist country.

Carlos Cleri, national director of commercial promotion in the Secretariat of Commerce, told reporters the night before, shortly before the departure, that the delegation was comprised of a group of 40 private business owners, as well as government officials, and that its purpose will be to increase the sales of railroad material, shipyards, electronics and industrial refrigeration.

The official added that "trade between countries with different political systems is quite common all over the world." He noted that "this pluralism exists," citing the previous Argentine sales to Cuba as an example.

He also discussed the grain purchases and the line of credit granted by Argentina to Havana which, Cleri stressed, has been paid for punctually. He also disclosed that representatives of tourist firms and of two banking entities traveled with the group.

Similarly, in New Delhi, capital of India, the Argentine ambassador announced last Saturday that our country has decided to open a consulate in the heavily populated city of Bombay, for the purpose of engaging in bilateral trade.

Ambassador Fernandez Escalante remarked that the representation will not go into effect until next year, but that Argentina is also studying the possibility of establishing a direct ocean line between India and Argentine ports.

Also on the previous day, the report arrived from the city of La Paz, Bolivia, that this country and Argentine concluded agreements aimed at improving the rail route linking the two nations, at an international meeting held a few days ago in the border locality of La Quiaca.

Authorities from the National Railway Enterprise of Bolivia (ENFE) said that the main agreement relates to Argentine-Bolivian transportation to Peru, both for export and import.

They added, as supplementary information, that the Argentine Railroad firm will carry cargo, by means of ENFE, from Bolivia to Peru.

The Bolivian government officials stated that experts from both countries also agreed on the need for a periodic evaluation of the status of the rail transport projects, so as to be able to readjust them while they are in progress.

2909

CSO: 3348/573

MIDDLE PARANA PROJECT GENERATES DISAGREEMENT

Buenos Aires LA NACION in Spanish 3 Jul 83 pp 1, 12

/Text/ The minister of public works and services, Engineer Conrado Bauer, and the former minister of economy, Engineer Alvaro Alsogaray, disagreed yesterday over the immediate need for going ahead with the Middle Parana undertaking. While Bauer said that the work is fundamental to the country, Alsogaray felt that it will not be needed over the next 25 years, nor can it be financed.

From Bauer

The minister of public works and services, Engineer Conrado Bauer, when referring in a press conference in Rosario to the Middle Parana project stated that "it is fundamental to this country and its launching simultaneously requires integral planning on various aspects of national development."

He pointed out that a work of this kind on the one hand requires great technical know-how and deep financial commitment, and on the other great conviction by the whole country. "The country overall must put forth the effort to carry out the task," he emphasized.

Industry Participation

Bauer showed how the nation's whole industrial operation would have to be orchestrated to be able to manufacture domestically the components, equipment and other things required by a work such as that of the Middle Parana.

"In our governing role," he added, "which we have been developing for a year, we have made the decision to pass on instructions within the Water and Energy team for the technical-executive project on the south "Chapeton" lock to be terminated on 31 October and, in addition, the decision to form a working team so as to make an evaluation on aspects touching upon the multiple effects we'll be experiencing and how to provide for them, so that we may have a complete view of different situations."

Bauer said that it does not seem right to him to make the decision as a government which will end in a few more months. "It is a decision," he stated, "which the whole country must make together through its representative organisms, within the framework of a constitutional government."

When consulted about Yacireta, the minister pointed out: "It is our aspiration that the civilian works be started before year's end. It's a work unanimously decided upon in 1973 by the national congress and for that reason we are taking action to comply with that determination."

From Alsogaray .

Former Economy Minister Alvaro Alsogaray stated that the Middle Parana project cannot be "dealt with in the immediate future because it cannot be financed in the years ahead."

The head of the Democratic Center Union made this evaluation while speaking at the headquarters of the Confederation of Central and Western Littoral Rural Associations.

Pay Debts and Use Gas

"We have \$40 billion in foreign debt," Alsogaray said, "which means \$45 million in interest per year, forcing us to produce much more just to pay the interest. I would like for them to explain to me how we are going to finance the Middle Parana."

He added that "we won't need the Middle Parana for the next 25 years because we have discovered gas for 60 years which today is going off into the atmosphere instead of being transformed into electricity, which doesn't cost us a cent."

Alsogaray stated further that the Middle Parana will be a great work in the future but that "we aren't going to be able to afford it for many years."

When describing his party's position on themes pertaining to agriculture and stockraising, the head of the UDC said that "agriculture plays an important role" in Argentine development, but in the liberal sphere without interference by the state. He added that in his judgment the system created by the European Economic Community of subsidizing agricultural and stockraising production should not be copied."

9436

CSO: 3348/538

THIRD OF SIX PLANNED CORVETTES LAUNCHED

Buenos Aires CONVICCION in Spanish 25 Jun 83 p 11

/Text/ The commander-in-chief of naval forces, Adm Ruben Oscar Franco, presided yesterday at the Rio Santiago shipyards over the blessing, baptism and launching of the corvette "ARA Spiro," built for the navy shipyards and factories (AFNE).

Also attending the ceremony was the commander of the Uruguayan Navy, Rodolfo Invidio; Minister of National Defense Dr Julio Martinez Vivot; secretary of maritime interests, Rear Adm Ciro Garcia; the governor of Buenos Aires, Jorge Ruben Aguado; the former commander-in-chief of the navy, Adm Armando Lambruschini (ret.); religious, national, provincial and municipal officials; members of the diplomatic corps accredited to our country, officers of the armed forces and AFNE board members.

The ceremony began with the words of the head of AFNE, Vice Adm Carlos Toriaschi (ret.), who pointed out that this company creates "for the future of national industry" and stressed that "we possess the power generated by the engineers' and workers' will to create, convinced that we can and must produce more and better things." He quickly added that "our policy has been to support private activity insofar as possible by providing incentives to suppliers and subcontractors who can satisfy the demand at reasonable prices."

He also said that with the launching of the corvette "Spiro," third of a series of six under construction at this factory, "again the larger slipways are unoccupied but stated that "fortunately in a few months the main slipway will be utilized since two container ships for the Lineas Maritimas Argentinas company will be built on slipway no 1. Vice Admiral Toriaschi stated that "he is convinced of the qualities of the corvette insofar as its high performance and operational flexibility are concerned" and is persuaded that we must continue the series, serving the fleets of friendly countries interested in equipping their fleets with these ships."

Lastly he reported that "we can offer our experience through a program of cooperation by increasing national and regional participation for replacing other imported equipment and materials."

Characteristics of the Vessel

This ship is built under the license of the Blohm and Voss Shipyard of the Federal Republic of Germany, with the contribution of the most modern technology and with its sale the most significant program of military construction so far undertaken by the Rio Santiago Shipyard will be continued.

This vessel, built by means of modules, has the following characteristics: displacement at maximum load, 1,790 tons; maximum length, 91.20 meters; beam, 11.08 meters; draft at maximum load, 3.41 meters; top speed, approximately 27 knots, and propulsion, 2 diesel engines. It is

It is equipped with two 40/70 twin machinegun mounts; one Oto Melara 76/82 cannon; MM38 Exocet missile system; two triple mounts of torpedo launching tubes; and Degale system for launching drones and one helicopter.

It is noteworthy that within the previously mentioned building plan the corvettes "Espora" and "Rosales" have already been launched.

The corvette is named for Miguel Samuel Spiro, a sailor of Greek origin who enlisted in the Argentine fleet in 1813 as a second lieutenant. Later he took over command of the gunboat "Carmen" which accompanied Admiral Brown when he went in search of Romarate who was near Martin Garcia Island. On 11 March of that year the confrontation between the Spanish and Argentine navies took place; the Argentine, clearly smaller in number, succeeded in making the enemy move away from the island which was taken over by our sailors. It was then when in pursuit of Romarate the "Carmen," commanded by Spiro, sailed forth and when it had engaged in battle in the China Strait on 28 March, the royalists were ready to board her; when Spiro saw the maneuver, and seeing himself powerless to defend his ship, in a dash of sublime courage, set fire to the "Santabarbara" and was blown up with his ship.

9436

CSO: 3348/538

ENVIRONMENTALISTS SAID TO BAR ACTION ON NEEDED HOUSING

Hamilton THE ROYAL GAZETTE in English 9 Jun 83 pp 1, 3

[Text]

Environmentalists were blasted yesterday for their "increasing antipathy" towards urgent housing needs.

Government's Parliamentary Secretary for Housing, Senator Llewellyn Peniston lashed conservationists for putting concern for the "preservation of casuarina trees and blades of wild grass" above the need for homes.

The tough-talking Senator also had more harsh words for the West End Development Corporation.

He accused it of "hiding beneath the cloak of the environmentalists" in trying to retract its original agreement to allow 26 prefabricated homes at Boaz Island.

And he warned again that the only solution may be a shake-up in the composition of the Corporation board. It may be necessary, he said, to take a broom and start "sweeping out some of the cobwebs".

In a statement made in the Senate, Senator Peniston said: "No doubt you will have gleaned from the past week of media accounts, an increasing antipathy by the environmentalists towards the urgent housing needs of our community.

"It has become patently clear that their pre-occupation with the preservation of

casuarina trees and blades of wild grass supercedes their concern for the daily destruction of the family unit, where married couples for many years are being separated from each other, often-times their very young children, and in many instances being forced to live in unsanitary and socially unacceptable severely overcrowded conditions.

"The fact that we should keep in mind is that the West End Development Corporation agreed in the first instance to permit the erection of 26 modular units in Dockyard, which is the very reason for their being shipped out there.

"And it appears to hide beneath the cloak of the environmentalists in seeking to rescind their previous commitment."

There were "significant conflicts of interest" within the Corporation board, said Senator Peniston.

"And either the chairman moves toward the diminution of the philosophical developmental conflicts in the composition of his board, or he will permit the continued obstruction of this small group to the commitment this Government made to the people of Bermuda in respect of housing.

"Given these choices, one can only conclude that a shake-up in the composition of the board is required so as

to ensure that its sensitivity is heightened toward the urgent housing needs of our community."

Soon after the Senate meeting Senator Peniston had talks with West End Corporation officials. The Corporation's board will meet today to discuss the matter further.

"Senator Peniston has made his position publicly clear on where he is on the prefabs," Mr. J. C. Kit Astwood, vice-chairman of the Corporation, said afterwards.

"As far as we are concerned today's meeting was to show him where they fit into the overall scheme."

CSO: 5000/7595

OIL POLLUTION INCIDENTS DECLINE; CORAL SURVIVING OKAY

Hamilton THE ROYAL GAZETTE in English 3 Jun 83 p 1

[Text]

The effect of oil pollution on Bermuda's coral may not be as damaging as was first thought, according to Dr. Tony Knap, associate director of the Bermuda Biological Station.

And he said that the amount of tar on Bermuda's beaches seemed to have declined over the last five years, a conclusion reached after several months of study by the station.

The marine scientist revealed the latest results of continuing studies at a public lecture last night on the threat of oil pollution and Bermuda's response to it. His talk, at the Botanical Gardens, was part of the Zoological Society's heritage lecture series.

Although the coral study is incomplete, it appeared that the effect of oil pollution on coral was only short-lived, said Dr. Knap. The smothering effect of oil caused the coral polyps to contract and reduce their feeding but this effect lasted for only three to five days.

But, he quickly pointed out, oil might be more damaging to other members of the marine community, especially shrimps and lobsters, and the station hopes to start studies on these creatures shortly.

Dr. Knap also described the "finger-printing" activities of the station in its efforts to track down sources of oil pollution. Samples of oil were taken from suspected ships and subjected to ultra-violet fluorescence.

After this initial screening procedure, the more likely culprits were tested on one of the station's three chromatographs. The samples were matched with oil from the spill depending on the ratio of concentration of the compounds in the oil.

Dr. Knap said that since the instigation of court proceedings against offending ships in 1977 the incidence of oil spills had fallen from about 20 to three or four each year.

CSO: 5000/7595

GUERREIRA DENIES FOREIGN POLICY CONFLICT WITH MILITARY MINISTERS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Jul 83 p 5

[Text] Brasilia--In an interview with the LATIN-REUTERS News Agency, Foreign Minister Saraiva Guerreira affirmed that he never heard any type of criticism of the current Brazilian foreign policy from any military area.

According to the Brazilian foreign minister, "Brazilian foreign policy is defined and the policies are established by the president of the republic. Therefore, there is no problem of, let us say, the Foreign Ministry or military ministries, etc. I must say none of my colleagues in the military area has ever made any negative observation about foreign policy to me even though I have very good contacts with them, including personal ones, as is known. We have a system of coordination here: I coordinate very much with the Secretariat of the Security Council, always with the organs of the presidency, and I have never noted that, although I have seen newsmen say that sometimes. Perhaps they have been impressed by some individual opinion of one person or another. But there is no disagreement within the Brazilian Government with regard to the policies, the line of Brazilian foreign policy, which is a policy of the government and of the president of the republic."

Guerreiro also denied any military intervention in the cases of the Libyan and British planes: "There was no intervention. Naturally, in both one case and the other, there was a line of action that was not determined by the foreign minister by himself. Obviously not. In both cases, actions or execution of some sort by the Air Ministry were involved. There were also interests of a security type, and so on. So in both cases, and that is very common in our system, there was coordination between the Foreign Ministry, the Military Household, the Secretariat of the Security Council, the Air Ministry, etc. In both one case and the other, the decisions were made by the president of the republic and were definite and clear, inasmuch as he is the one with the authority and power to decide on these matters."

The foreign minister also said that Brazil fears the projection of the East-West conflict over Central America and Latin America in general: "Again, on that there is not one military position and another, civilian, or whatever. It is the concern of the government and all responsible people that the East-West conflict not be established in our region. It is a general position of ours, obviously. Furthermore, inasmuch as foreign policy itself seeks an assertion and the preservation of a field of autonomy that responds to the

specific interests of the country and recognizes that that is the line of all the neighboring countries--of seeking to maintain a field of action of its own, a certain autonomy and a relationship between the specific national interests and its foreign policy--we, as is natural, are concerned about the establishment of that East-West ideological and power-play confrontation in the region. That is so for a very simple reason: when there is that type of confrontation in a region of the Third World, the effect will necessarily be to curtail the autonomy of the countries in the region. The effect will necessarily lead them to depend more and more completely on the support of one of the superpowers in order to cope with that confrontation. That means that the effect of the sharpening of a conflict in a region or subregion in East-West ideological and power-play terms is to reduce the countries of that region more and more to tools of one of the superpowers. And we are against that. We believe it is necessary to have good sense and that it is good for everybody to avoid that type of intensification or to circumscribe it, to limit it."

Minister Saraiva Guerreiro reiterated the guarantee that the current foreign policy will not change as a result of the difficult economic-financial situation the country is facing and that the rapprochement with the countries of the Third World is not being carried out to the detriment of the old Brazilian dialog with the industrialized countries. He also denied that Brazil has forgotten its trade problems with the United States because of the threat of insolvency.

8711

CSO: 3342/155

CTA PIRANHA MISSILE TO BE PRODUCED IN THREE VERSIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Jul 83 p 6

[Article by Helio Contreiras]

[Text] Rio--The Piranha air-to-air missile, the technology of which was developed by the Aerospace Technical Center (CTA) is going to have two new versions: one for water based surface-to-air use, for the navy, and another for surface-to-air use, for the army. The CTA will approve the production of the three versions of the weapon in a report that will be forwarded to the minister-chief of the Armed Forces General Staff (EMFA), Brigadier Waldier Vasconcelos.

Speaking in Rio, where he spent the weekend, regarding the approval of the three versions in the CTA report that will be forwarded to him, the minister-chief of the EMFA said that at the time the project was conceived, the Brazilian Air Force was already thinking of the utilization of its technology to build other versions, which is now going to be implemented with an agreement that will benefit the three service branches.

The Piranha project is currently in the initial phase of industrialization on the basis of an agreement made between the CTA and the D.F. Vasconcelos Company. According to Brigadier Waldir, the EMFA, which is the coordinator of the project, will grant financial assistance for its complete implementation. A CTA study reveals that the "head" of the weapon is what can vary, as well as the engine. In the version for the air force, the Piranha will attack the enemy plane attracted by the heat of its engines.

Utilizing a solid propellant, naturally, the Piranha will have infrared technology that is going to detect the heat source, that is, the engines of the planes to be destroyed. The computer "will see" the image that will be represented by the plan to be pursued and will insure control for the weapon to follow in the proper direction.

In its surface-to-air version, the missile will have basically the same characteristics as the air-to-air version with greater power because it will be necessary for the weapon to have greater range, according to the evaluation already made by the Aerospace Technical Center. In its naval version (surface-to-air), the Brazilian missile will have an electromagnetic sensor (radar) that will identify the enemy plane.

Export

The CTA report and the full approval of the triple use of the Piranha project by Brigadier Waldir Vasconcelos in his exclusive interview increase the possibilities of exporting the weapon, which will contribute to putting the national ordnance industry in a better position within the next few years to vie for the first three places in the country's export schedule currently occupied by coffee, soybean and iron and steel products. For this third item, the Foreign Trade Department of the Bank of Brazil (CACEX) yesterday predicted exports for this year in the amount of \$2 billion which, according to Brazilian military industry specialists shows that the civil industry will certainly lose at least the third place in that schedule to the military industry.

Brigadier Waldir asserted that the EMFA will give financial support to the Piranha project, which will really facilitate the production of the versions intended for the navy and the army. The CTA report is going to be forwarded to Department of Research and Development (DEPED) located in Brasilia and headed by Brigadier George Belham, who will take it to the air minister, Brigadier Delio Jardim de Mattos, and will then be presented to the minister-chief of the EMFA. The joint development of the project will make it possible to respond to the strategic interest of expanding air defense at low cost.

8711

CSO: 3342/154

LARGEST DEFICIT RECORDED IN TRADE WITH MIDDLE EAST

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jul 83 p 22

[Text] Rio--The Brazilian trade balance recorded its largest deficit with the Middle East during the first 5 months of this year, in the order of \$1.768 billion, because the country imported \$2.327 billion from that economic bloc--basically oil--and exported only \$559 million.

That information was given in Rio yesterday by the Foreign Trade Department of the Bank of Brazil (CACEX), which added that despite those results the deficit was reduced significantly in comparison with the same period last year when it amounted to \$2.29 billion, with imports of \$2.727 billion and exports of \$437 million.

The second largest negative balance in the trade balance of January to May of this year occurred with reference to the Latin American Integration Association (ALADI), a total of \$56 million, with exports of \$811 million and imports of \$867 million. The third and last was recorded with Canada, \$12 million, Brazil having sold \$127 million to and purchased \$139 million from that country during the same period.

With regard to the Middle East, CACEX explained that the national effort to increase sales to that economic bloc continues, pointing out that the schedule of Brazilian exports is comprised mainly of industrialized products (69.84 percent manufactured and 6.26 percent semimanufactured goods). In the first 5 months of 1983, Brazilian exports to the Middle East consisted mainly of chicken meat and frozen chicken, beef (frozen and canned), iron and steel manufactured goods, automobiles and cast iron.

Surplus

The largest surplus in the Brazilian trade balance from January to May of this year, in the order of \$1.546 billion, was recorded with the European Economic Community (EEC). For the nine countries of that economic bloc, exports totaled \$2.324 billion, while imports totaled \$778 million. The second largest positive balance during the same period occurred with the United States (including Puerto Rico), \$883 million, with exports of \$1.809 billion and imports of \$926 million. CACEX experts admitted yesterday that the balance could have been better if it had not been for the protectionism that country has adopted toward Brazilian products such as steel and orange juice. But, according to them, Brazilian authorities are negotiating the removal of those difficulties with the Americans.

8711

CSO: 3342/155

LOSSES OF 1982-1983 AGRICULTURAL CROP REVIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Jul 83 p 6

[Editorial article: "The Losses of the Agricultural Crop"]

[Text] To the marches and countermarches of agricultural policy this year is added a combination of serious climatic adversities capable of demolishing even the good intentions of our authorities with regard to the next crop. The first surveys coming from the Southern region indicate a really dramatic situation which is already playing an important role on the planting intentions of the growers.

According to the information of the Secretariat of Agriculture of Parana, the rains strongly hit the coffee plantations causing a reduction of 23,000 tons of this crop with losses equivalent to 12 billion cruzeiros. That is not to mention the loss of quality which will affect about 650,000 sacks, henceforth useless for export and similarly unable to achieve the classification required by the Brazilian Coffee Institute (IBC) in order to obtain the guaranteed price. It is worth pointing out that these losses were caused by the precipitation that occurred until June only, inasmuch as northern Parana was less hit than the South and Southwest in these recent weeks.

Other information shows also that Parana ceased to harvest 1.55 million tons of corn, beans, soybean, cotton, potatoes, coffee, sunflower, and rice, representing losses of 114 billion cruzeiros. For the time being, it has not yet been possible to quantify the problems in the state of Santa Catarina but it is certain that they will be even more significant. Not to mention the disastrous effects on the environment, the loss of fertilizers, soil erosion, the deterioration of highways, which require immediate measures on the part of the government.

As if the substantial reduction of the planted area of the main domestic consumption crops (rice, beans, corn, among others) were not enough, the efforts to compensate the losses in the coming crop are beginning to be impeded in a paradoxical manner. In Parana, for example, the shortage of seed for planting wheat was significant, with a reduction of 30 percent of the area already being considered certain. The bean situation is even worse. Despite the Basic Cost Values (VBC) considered satisfactory by the producers, the same occurring with

the new minimum price, the rains caused so much damage to the quality that there is a lack of seeds. The consequent rise of market prices makes the farmers hesitate between selling or using the beans as seed, in addition to asking the government to put its stocks on the market in order to hold the price rise!

The 1982-1983 crop will not go into history as another supercrop despite all the noise the authorities made about the 56 million tons that certainly could have been harvested. Nonetheless, the problems were not caused only by climatic adversity. Ask the cotton planters, the dairy cattle breeders also. The over-all loss perhaps will exceed the 5 million tons predicted by Minister Amaury Stabile, judging by the forecasts of the Production Financing Company, which about a month ago had readied an estimate of not more than 49.5 million tons before the rains.

It would be too long to recapitulate the background reasons that prevented obtaining a sufficient supply as well as the so precious saving of foreign exchange on the importation of food. Nevertheless, it is never too late for the major warning regarding the need for a serious, long-term agricultural policy, capable of concretely reflecting the fact that the agriculture of this country cannot depend only on the benefices of the gods of nature.

8711

CSO: 3342/155

BRIEFS

FOREIGN DEBT MORATORIUM URGED--Porto Alegre--In Porto Alegre yesterday, the vice president of the National Industry Confederation (CNI), Rio Grande do Sul businessman Paulo Vellinho, advocated a "moratorium of the Brazilian foreign debt negotiated at a high level," which would only be possible if the government abandoned direct negotiations with the international bankers and found a "political solution" directly with the governments of the creditor countries. Pointing out that "the high-level negotiated moratorium would really be the only response that Brazil would have to give to its society and the creditors," Vellinho declared that for that "a political decision that would supersede the power of decision of the bankers" would be necessary. While the Brazilian international crisis remains in the hands of the bankers, a negotiated moratorium is difficult. It would be very important to have a political solution; that is, that the governments of the industrialized countries, considering the geopolitical importance of Brazil, would really resolve to assume that debt which today worries the private bankers." The CNI vice president declared that he was not in agreement with the "restraints" that have been imposed on Brazil by its international creditors. In the opinion of Paulo Vellinho, the latest economic measures adopted by President Figueiredo were "without doubt" an imposition of the international bankers and the IMF. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Jul 83 p 30]

IMPORT POLICY SCORED--The import curtailment policy and the closing of government-to-government agreements with the consequent formation of binational companies that nationalize certain slices of the export market "may result in a regression for the country in terms of foreign trade," according to the president of the Brazilian Association of Commercial Exporting Companies, Carlos Sehbe. According to him, the state-controlled companies "are not alert but they are advancing with monopolistic contracts that can end the stagnation of trade with various countries, especially those partners of Brazil that are also facing periods of serious economic crisis." According to Sehbe, Brazil's trade with those countries in 1981 amounted to \$7 billion: "Now, this year, the closed contracts through state binational companies will total \$3 billion and the inclination for the next fiscal year is to reach \$7 billion," he said. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Jul 83 p 27]

NEW EMBRAER PASSENGER PLANE--The newest airplane model manufactured by EMBRAER [Brazilian Aeronautics Company] has been officially introduced in Sao Jose dos Campos in the presence of acting President Aureliano Chaves, ministers, and some 250 foreign personalities who were invited to the ceremony. The EMB-120 Brasilia, a pressurized 30-passenger plane, is the largest aircraft produced in the Third World so far. The sales of the EMB-120 Brasilia have been guaranteed up to the year 2000. So far 107 orders have been received, and by the end of the century EMBRAER expects to sell at least 500 airplanes. According to current prices, these airplanes would cost \$4.5 million each, which would allow EMBRAER to cover the entire production cost, which amounts to approximately \$170 million from the beginning of [words indistinct]. The cost of the EMB-120 Brasilia is considered low compared to other planes in the same category. Moreover, the EMB-120 Brasilia has low fuel consumption and a faster cruising speed than the [word indistinct]. [Text] [PY301420 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 30 Jul 83]

CSO: 3342/160

GERLEIN: U.S. PREVENTED COUNTRY'S ADHERENCE TO GATT CODES

Bogota EL ESPECTADOR in Spanish 8 Jul 83 p 15-A

[Text] The minister of development, Roberto Gerlein, disclosed that the radical position of the U.S. Congress, concerning that country's trade commitments to other countries, recently prevented Colombia from acquiring GATT's Code on Subsidies and Countervailing Duties.

The same official claimed that, in view of the failure of the negotiations among the members of the Sixth UNCTAD Conference in Yugoslavia, "it seems important to determine Colombia's possible adherence to GATT's codes of behavior."

In a lecture delivered yesterday at the Colombian Studies Center (CEC), the minister remarked: "The country will have to analyze the feasibility of gearing itself to the Code of Subsidies and Countervailing Duties."

In his address, he also analyzed the current situation evinced by the national industry, and noted that this sector should not be concerned only with producing for internal consumption, but rather should pay particular attention to the external market.

GATT

Colombia incorporated the general agreement on tariffs and trade (GATT) into its legislation in 1981, through Law 49 of that year.

This treaty agrees that the countries may grant incentives for exports, but not subsidies, and that these incentives must necessarily be associated with a return of indirect taxes.

Since then, Colombia has shown an interest in becoming associated with that treaty's Code on Subsidies, attaching particular importance to its governing the country's trade relations with the United States wherein, on several occasions, there have been instances of threatening products from our country with the imposition of countervailing duties.

With the Code on Subsidies, a particular country, such as Colombia, can protect itself under better conditions when an industrialized nation attempts to restrict the entry of a product into its market by imposing penalties. But it is also regarded as negative, inasmuch as it would entail the elimination of incentives for exports, such as the CAT [Tax Credit Certificate], for example.

The minister of development commented that, for this reason, talks have been carried on with the U.S. Government, through which it has been learned that that country intends to demand from our country a control and reduction in the use of the expedients for promotion of exports, to compensate for the application of the criterion of "proof of detriment" to Colombian products.

That proof would limit the direct, autonomous action of the United States Government to apply economic penalties (in other words, countervailing duties) on a certain product when competition with its domestic production is alleged. With the GATT code, such penalties could be applied only after the existence of detriment had been proven.

Gerlein Echeverria stated that, as a result of the consultations aimed at reaching a possible compromise, following difficult negotiations, an agreement was reached wherein it is recognized that Colombia has carried out its policy for promoting exports in a disciplined fashion, and that it has been consistent with the country's degree of competitiveness and development. Our country pledged to continue upholding that discipline and to fulfill the general guidelines of the Code on Subsidies.

The official said that it had been agreed to examine the incentives for exports. Subsequently, a preliminary understanding was reached with the United States to exclude from that review the Vallejo Plan system for machinery, if its effect on exports was minimal in 1984, as well as the area relating to the PROEXPO [Export Promotion Fund] financing system, when the interest rate exceeds 8 percent per year.

That draft compromise was submitted to the Board of Directors of Foreign Trade, which recommended limiting to the CAT the examination of incentives for Colombian exports that the committee of signatories of the code will make in 1984. The Board also agreed to submit the proposal for Colombia's adherence to the aforementioned code to the Joint Commission on Foreign Trade, in which the private and government sectors are represented.

In that commission, it was agreed to continue the study and to await further results, specifically the progress of the dispute of India and Pakistan with the United States. When this has ended with satisfactory results, it is thought that Colombia would be able to attempt to join the agreement without prior commitment, or to make an agreement similar to the one concluded by India or Pakistan.

When Colombia was attempting to reactive the negotiations, an American mission notified the Colombian authorities that the Congress of the United States had seriously criticized their country's government for the agreements concluded with the two aforementioned nations.

The mission said that the U.S. Government could not accept weak commitments, and would have to be more stringent in its demands to satisfy Congress.

The minister noted that, owing to this situation, Colombia's decision to join in the code became bogged down, and it was thought that a subsequent GATT ministers' meeting would soften the United States' position. That meeting took place in November 1982, and did not represent any progress.

Gerlein Echeverria declared that the adherence has the advantage that the application by other countries of countervailing duties to counteract the subsidies for Colombian exports is not left to the whim of each country, but rather is subject to international discipline.

Nevertheless, he explained that, as its name indicates, the code subjects to rules not only the application of countervailing duties, but also the application of subsidies; and, therefore, adherence would mean having to subject to international control the country's authority for granting subsidies and incentives for exports.

There is in Colombia a division of views on the government and private levels regarding the feasibility or unfeasibility of the country's adherence to the GATT Code on Subsidies.

Industry

The minister of development also discussed the country's industrial situation, saying that there should be no conflict between the priorities of industry and those of other sectors of the economy; and that their interdependence is obvious, because the income and production of one sector and the demand in the others are complementary.

He added that the handling of that balance and the creation of fitting conditions in the different production activities are among the present government's most important tasks.

He gave a reminder that 25 percent of the employed population is located in the manufacturing sector, and that industry demands 62 percent of the total supply of goods and services, 40 percent of the non-coffee agricultural production, 27 percent of the public services, 11 percent of the transportation sector and 19 percent of the financial sector's services.

He also underscored the industrial contribution to exports.

In one portion of his address, he claimed that "industry cannot be conceived to supply the domestic market exclusively," but rather, "industry is ecumenical" and "its target is the world."

He said that, in order to intensify industrial exports, it is worthwhile considering a production strategy aimed at supplying the foreign market, endowed with high technology and quality, that would use the preferential terms offered by the duty-free zones, the Vallejo Plan and other expedients for promoting exports.

Then he brought up the possibility of two types of technology: one with modern, advanced features, capable of producing at the levels of greater efficiency and quality of international markets; and another, for the traditional sector, with simpler, intermediate conditions, that would use a larger amount of labor, raw materials and resources which are plentiful in the economy.

The development minister also discussed the status of the Andean Pact, an area wherein he stressed there are serious difficulties that must be restudied; citing the importance to the country that the standard foreign trade law that the government will soon submit to Congress will possess.

2909

CSO: 3348/570

DAS FINDS ARMS CACHE, AMMUNITION IN NORTHERN BOGOTA

Bogota EL TIEMPO in Spanish 14 Jul 83 p 8-B

[Text] Yesterday, in a spectacular operation, forces from the DAS [Administrative Department of Security] Judicial Police raided a hide-out of hired assassins in northern Bogota, and seized sophisticated weapons.

Spokesmen for that corps remarked that the arms, as well as a large amount of ammunition and communications equipment, were discovered in a luxurious mansion in the Puente Largo district.

The residence, which may be worth some 15 million pesos, served as a center for meetings of hired assassins and kidnappers, whose members would plan there the strikes that they were going to make in the capital.

The DAS agents appeared shocked by the sophistication of the weapons, because they found precision revolvers, Ingram-10 submachine guns and Uzi tommy guns.

All the seized ammunition, which was in special boxes, is manufactured of tungsten material capable of piercing anything.

Also confiscated were two uniforms for the exclusive use of the National Police, high frequency communications equipment, a bullet-proof vest and a Honda brand motorcycle measuring 500 cubic centimeters.

In a kind of cache on the first floor of the house the detectives discovered a considerable quantity of suppliers and cartridges for shotguns.

DAS said that it has assured clues to the criminals who have been using this material.

The agents arrived at the residence thanks to a call from an anonymous citizen. From the subsequent investigation, it has been concluded that the individuals who visited the residence are members of a ring of paid killers.

Witnesses claimed that, every day, luxurious cars arrived at the dwelling, and a man was often observed leaving on a motorcycle at high speed.

The investigators refrained from disclosing other data and documents found in the hide-out, so as not to interfere with the search for the criminals.

Finally, the agents remarked that not even the Armed Forces nor the intelligence agencies have this kind of weapons.

PARTICIPATION OF BLOC NATIONS IN OIC AGREEMENT DISCUSSED

Bogota EL TIEMPO in Spanish 14 Jul 83 p 2-B

[Text] Yesterday, the general manager of the National Federation of Coffee Growers, Jorge Cardenas Gutierrez, disclosed that three East European countries are considering joining the World Coffee Convention.

In this regard, the federation issued the following communique, wherein Cardenas Gutierrez reveals the results of negotiations conducted for that purpose by several producing countries, in order to increase the convention's coverage to 100 percent.

During a visit made by representatives of the coffee-producing countries, members of the international convention for the bean, to certain socialist countries in the first week of July, they were invited to join the International Coffee Agreement, which includes 47 producing countries with 99 percent of the production, and 25 consuming countries, which account for 90 percent of the total exported annually. With this invitation, they have also been called upon to participate actively in stabilizing the world market for the bean.

The mission was comprised of representatives from Mexico, Tanzania, Zaire and Colombia, and was headed by Dr Jorge Cardenas Gutierrez, general manager of the National Federation of Colombian Coffee Growers. It met with the highest-ranking government and commercial authorities of the German Democratic Republic, Czechoslovakia and Hungary.

All the producing countries are agreed that the connection between the East European countries and the 1983 Coffee Convention is vitally important because, when the consumption of those countries is added, the convention's scope will be nearly total. The producing countries want the effort made for 20 years to regulate the market within the framework of the International Coffee Agreement to be applied to all the consuming countries, in order to preserve efficacy in price protection, which is perhaps one of the best means of guaranteeing dynamism in the trade relations between the producing and consuming countries. This is because coffee represents an annual income of about \$10 billion for the producing countries, which are all developing countries, with large import needs, particularly in the area of industrial goods or capital equipment. Coffee, as a leading export product for a considerable group of those countries, is also an irreplaceable source of income and employment for many families.

The chairman of the delegation said that, generally speaking, there was good acceptance and receptiveness for the proposals, and that this allowed for the beginning of the dialog, which will prove highly constructive for the trade relations between the coffee exporting countries and the socialist countries, despite the latter's pragmatic position regarding their entry into the International Coffee Convention in 1983.

The shortage of hard currency and the deficit in balance of payments currently confronting the socialist countries have caused them, for strictly financial reasons, to remain outside of the convention, and to purchase their coffee on a market without any limits on supply wherein, for the same reason, there are very low prices.

Nevertheless, they stated that it was not their intention to disrupt the international coffee market, nor to exclude themselves from the effort that the producing countries are making to strengthen the satisfactory operation of the mechanisms for controlling the market; and they are willing to cooperate with the members of the agreement for the purpose of providing the necessary information and avoiding any trading practice at odds with the mechanisms for regulation established by the member nations. They are also agreed that their medium and long-term commercial interests will be better protected with a stable, constant flow of coffee at reasonable prices, and in this respect they identify themselves with one of the main purposes of the Coffee Agreement. It is to be expected that, as success is accrued from the efforts for organization expended by the producers, it will be more possible for the socialist countries to join the convention and the International Coffee Organization.

The mission was able to observe the concern among those countries for increasing commercial exchanges with the coffee producers, through major investment projects in the area of electrification, transportation and agroindustry. These exchanges will unquestionably be far greater if they are backed by stable rates, with profitable prices that bear a relationship to the international quotations.

Bogota, 13 July 1983.

National Federation of Colombian Coffee Growers, Public Relations and Advertising Division.

2909

CSO: 3348/570

PROEXPO FINANCING DIFFICULTIES, IMPACT OF PORT STRIKE VIEWED

Bogota EL ESPECTADOR in Spanish 15 Jul 83 p 8-A

[Text] The exporters have revealed that the Export Promotion Fund (PROEXPO) is facing serious difficulties involving a lack of liquidity, which would lead it into a deficit of 10 billion pesos by the end of this year.

Alfonso Rojas Llorente, president of the National Exporters Association (ANALDEX), declared that the sector views these difficulties with concern, because of the consequences that they could have for the performance of sales of non-traditional products to foreign markets.

He gave a reminder that, with the weakness that the external sector of the Colombian economy has been experiencing, the economic reactivation in certain industrialized countries, especially the United States, represents a great opportunity for the so-called smaller or non-traditional exports. Gaining it requires all the devices for stimulation, among which PROEXPO credit is essential.

Nevertheless, PROEXPO officials explained that the credit operations conducted by that agency are being carried out normally at present, particularly those in which the credit is granted based on the terms of the Monetary Board's Resolution 59. As of 30 June of this year, loans of 25 billion pesos had been granted, a sum to which must be added a loan of 10 billion to CARBOCOL [Colombian Coal, Inc].

The same sources noted that there is a rediscount line in the Bank of the Republic which PROEXPO has not used for the past 3 years, and which the monetary authorities are being asked to update and raise to 6 billion pesos, resources that the fund would start using.

This year, it has been estimated that PROEXPO is handling a budget of 70 billion pesos to finance all the lines available on behalf of exporters.

The president of ANALDEX said that the state agency's problems with lack of liquidity are due to various factors, including the reduction in imports, slight turnover of assets and tax exemptions on imports for some products imported by the state.

He remarked that the turnover of PROEXPO assets has been curtailed by the exchange and commercial problems with several neighboring countries, particularly Ecuador and Venezuela. The situation in those nations, to which a considerable portion of

Colombian exports go, has not allowed for a timely reimbursement of hard currency, and has created other difficulties.

As for the reduction in imports, the PROEXPO spokesmen said that it is impossible to quantify the immediate effect that it has had on the fund. This agency receives 5 percent of the taxes on imports, a levy that has been the main source of its capital formation.

Effects of the Port Strike

On the other hand, Rojas Llorente analyzed the negative consequences entailed for foreign trade, specifically exports, by the strike being held by the workers in Colombia's maritime terminals.

In this connection, he noted that, rather than the economic losses that this movement could cause, account should be taken of the delays that it will bring about in the delivery of export goods to international markets.

He said: "The country should consider very carefully the discreditation reflected by any delay in those deliveries." He added that this is a critical situation for Colombia's good image as an exporter.

According to ANALDEX, every day nearly \$6 million worth of export goods and products alone moves through the seaports. The strike has created storage and transportation problems for those goods.

According to the exporters' president, the economic losses that the port strike could cause "are immense and inestimable."

As for the entering trade, he said that the delay in delivery of raw materials imported by industry will have serious consequences for production and employment.

He also mentioned that 75 percent of Colombia's smaller or non-traditional exports are moved through the ports. An exception to this troublesome situation is the flowers, which leave for the foreign markets by air. The country exports nearly \$120 million in flowers.

In conclusion, Rojas Llorente said that the port workers' movement is "a low blow" to the economy in general and to exports in particular, at a time when it is expected that the reactivation process will begin on all fronts.

With PROEXPO

The president of ANALDEX made the following statement of the status of PROEXPO:

"When we are starting to discern some events that could aid Colombian exports, primarily the recovery of the economies in the industrialized countries, potential purchasers of our products, it befits us to point out that the action of PROEXPO, particularly insofar as financing is concerned, has perhaps been the most important stimulus, day by day, and nearly the only one for the Colombian exporter; and then to demonstrate that a dangerous financial situation is hovering over PROEXPO;

because, while the development credit for exports is hence increasingly necessary, PROEXPO's supplies have been cut for reasons such as the restrictions on imports and the changes in their composition, which reduce the entity's income; the lesser turnover of its assets caused by difficulties with payment in countries such as Venezuela, Ecuador and Mexico; its need to come to the aid of major sectors of production, which has tied up large funds of its own; the capitalization of IFI [Industrial Development Institute]; etc. So, this year, a deficit of nearly 10 billion pesos may be anticipated in this agency.

"If one agrees that one of the most stricken sectors of our economy is the external one, and that, therefore, it is essential to aid our exports unless we are to find ourselves involved in a violent exchange crisis which, in the long run, cannot be avoided with the mere restriction of imports, a restriction which weakens economic development, and since PROEXPO's action is essential to that assistance, it must be concluded that strengthening PROEXPO is an obligation for us all, concentrating in it the maximum possible volume of funds, without spending them on activities which, although necessary for the economy, do not bear a direct, close relationship to exports, the reason and cause for its existence."

2909

CSO: 3348/570

BRIEFS

NEW FISHING COORDINATOR--Rodolfo Solano Orfila, who has resigned as executive president of the National Production Council, has been appointed government coordinator for the fishing sector. His appointment will go into effect in August. [PA081647 San Jose Radio Reloj in Spanish 1200 GMT 7 Jul 83]

AMBASSADORIAL RESIGNATION--Official sources have informed LA REPUBLICA that Marcelo Prieto, Costa Rican ambassador to Mexico, announced his resignation yesterday. Prieto will return to Costa Rica to take a position at the Latin American Democratic Studies Center (CEDAL). [Summary] [PA212123 San Jose LA REPUBLICA in Spanish 8 Jul 83 p 3]

NEW AIRPORT RADAR, LIGHTS--Costa Rica's air safety will improve this week when a new radar service will be formally put into operation at Juan Santa-maria Airport. Transportation Minister Rolando Araya, Deputy Transportation Minister Hernan Azofeifa, aviation authorities, and representatives of the main airlines operating in the country participated in the inauguration of the new service that will be complemented with a new lighting system for the runway. [San Jose LA REPUBLICA in Spanish 8 Jul 83 p 2 PA]

PRO-SANDINIST CELEBRATION--The Sandinist Government's fourth anniversary was celebrated in Costa Rica with a rally this afternoon across from the Nicaraguan Embassy in San Jose. Some 200 friends of the Sandinist revolution, many of whom are well-known personalities from the Costa Rican leftist sector, attended this demonstration of support. The government adopted special security measures in the area by doubling the number of civil guards to prevent any disorders from anti-Sandinists, but the rally was held peacefully. [Summary] [San Jose Radio Reloj in Spanish 0100 GMT 20 Jul 83 PA]

TRADE AGREEMENT WITH HONDURAS--After 6 months of negotiations, Odalier Villalobos and Eduardo Ramos, deputy economy ministers of Costa Rica and Honduras, agreed on 9 July in Tegucigalpa to extend for another 2 years the bilateral trade agreement in effect since 1973. The new agreement will go into effect on 7 August. [Summary] [PA220219 San Jose LA NACION INTERNACIONAL in Spanish 14-20 Jul 83 p 16]

NEW U.S., GUATEMALAN AMBASSADORS--The following ambassadors yesterday presented their credentials to Costa Rican President Luis Alberto Monge: Curtin Winsor, United States of America, and Carlos Urrutia Aparicio, Guatemala. [Summary] [PA222157 San Jose LA PRENSA LIBRE in Spanish 15 Jul 83 p 4]

CSO: 3248/1121

BRIEFS

INTERNATIONAL SPARE PARTS FORUM--The second national forum on the restoration and manufacture of spare parts will be held in Havana in late January of next year. This announcement was made at a meeting presided over by Pedro Miret Prieto, member of the Politburo and vice president of the Council of Ministers, and Jaime Crombet, member of the Party Secretariat. Fifty reports will be presented at the forum. Prizes will be awarded for the best reports and the ones making the greatest economic contribution. Pedro Miret spoke about participation of delegations to the forum: [Begin Miret recording]... inviting friendly countries and specialists from friendly countries to come to Cuba, if possible with concrete proposals. It is well that we know ahead of time so that we can begin the necessary procedures. It is necessary to include, ah, what do you call them, efficiency experts, the relations the CTC has with countries like the Soviet Union and the FRG. [as heard] [end recording] [Text] [FL210140 Havana Domestic Television Service in Spanish 0000 GMT 21 Jul 83]

NEW STRUGGLE AGAINST RACISM--Cuba has reiterated its proposal to have the United Nations declare a second decade of struggle against racial discrimination. Cuban delegate to the United Nations Julio Heredia, in his introduction of Cuba's report to the Committee for the Elimination of Racial Discrimination, asserted that the current term dedicated to the topic has failed to achieve the total elimination of that reprehensible practice. He stressed that Cuba condemns Pretoria's racist apartheid policy and supports the Palestinian people. [Text] [FL211640 Havana Domestic Service in Spanish 1100 GMT 21 Jul 83]

CSO: 3248/1120

JORGE BLANCO DISCUSSES NORTHEAST DEVELOPMENT

Speech Reported

Santo Domingo LISTIN DIARIO in Spanish 26 Jun 83 pp 6-A, 7-A

[Text of speech delivered by President Salvador Jorge Blanco on 25 June 1983 in San Francisco de Macoris]

[Text] Yesterday, in San Francisco de Macoris, President Salvador Jorge Blanco stated that the government is "aware" of the distressing social situation in which a high percentage of the Dominican population, especially that inhabiting the rural areas, is carrying out its activities.

Jorge Blanco made this assertion upon delivering a speech yesterday during the Government Council meeting which convened in that northeastern town.

The chief executive commented, in his speech, on various aspects of national and regional life. The text of his message reads as follows:

"Honorable representatives of the provinces: Duarte, Maria Trinidad Sanchez and Samana.

"Today, we have returned to San Francisco de Macoris, this time pursuing the policy that we have devised to hold Government Council sessions in different geographical sections of the nation.

"The purpose of these Government Council meetings, among other things, is to intensify the understanding of the situation existing in each community, through a frank, cordial dialog, which will also enable us to analyze the different options for solving the problems that are posed and, simultaneously, to notify the community of the combined action that the government is taking on behalf of an improvement in the living conditions of the region and the country as a whole.

"Returning to San Francisco de Macoris has a twofold significance for us. Unable to remove ourselves from our status as an ordinary citizen and human being subject to the emotions emanating from friendship and fond memories, we feel in our innermost being the joy of one who embraces old, close friends in this hard-working section of the country.

"Now, in our capacity as president of the republic, returning to San Francisco de Macoris means giving an objective, responsible answer to this community regarding the promises and programs that we submitted to it when we were running as a mere candidate for the chief executorship of the nation.

"In this connection, we have sponsored the holding of the Government Council meeting on the scene of the country's northeast section itself, especially in this town of San Francisco de Macoris, so that the topics aired at this working session may be properly confined to its own geographical, social and economic context.

"When considering the northeast, we are reminded of the recent tour that we made this past April, when we observed, with a view to which only God's birds and the aircraft especially constructed by man, have access, the captivating beauty reflected by the poppies and royal poincianas, the panorama, sometimes rich and at other times disturbing, of this section of the country and the area surrounding it.

"On this reconnaissance flight, we noted not only the area's rich potential resources: the rice, the coffee, the cacao, the coconut plantations, the irrepressible force of the Yuna River, the marble quarries and the highways which evoke in the individual the desire to extend himself in search of identification with nature, in the direction of tourism beauty, but also the spectacular devastation of the Haiti area, where the ravaging impulse of need has threatened to destroy the priceless forest resources.

"The Government of National Concentration is aware of the distressing social situation in which a high percentage of the Dominican population, especially that inhabiting the rural areas, is carrying out its activities. The residents of the northeast area are obviously no exception to the aforementioned problems.

"This disturbing socioeconomic situation represents the cumulative results of actions taken in the past, reflected in social, economic, regional and political plans.

"There is no question that the benefits accrued by the various sections of the country, and the advantages stemming from the economic processes, have been very limited; and this is shown by the inequalities readily observable in a tour through the national territory.

"The bases for economic growth which were used as a framework for public action in the past administrations have exacerbated the magnitude of the regional problems to a large extent.

"The problems posed are typified by the existence of geographical areas without real, deep interconnections that would make it possible to raise levels of production, employment and commercial exchange, and by the existence of a strong migratory movement associated with a precipitous process of urban development in the leading cities and towns.

"The exodus to the urban areas is a phenomenon that is turning us into an urban country, whereas our sources of wealth are located mainly in intensive development of the land, and in the agricultural-livestock areas; and our urban areas are not equipped to receive properly the number of jobless people leaving our rural areas.

"The city of Santo Domingo is the major recipient, with a population growth of 5.8 percent, approximately half of it originating from immigration. The aforementioned fact has increased the poverty-stricken sections, and has made the solution to the urban areas' problems more complex.

"A study of the situation sought enabled the Government of National Concentration from its beginnings to determine a regional policy the basic goal of which is to start a process of harmonious, balanced development, that will improve the living conditions of the area's residents.

"The funds are earmarked as a priority for highly productive activities, without neglecting action having direct repercussions on the fulfillment of the population's basic needs.

"In this development strategy, the key productive sectors for expanding employment and production are: agriculture-livestock, industry, energy and construction.

"The government is carrying out measures aimed at achieving institutional strengthening of the regional entities. These measures include the creation of regional assemblies the basic purpose of which is to incorporate the different regional entities in the country into the national administrative system, and to attain community participation in the development process. Comprising these assemblies are the regional coordinators who, in turn, have joined the National Development Council.

"An initiative of the executive branch is Bill No 5, the purpose of which is to allocate 20 percent of the internal revenue income to the country's town halls, in order to aid the economic development and autonomy of the municipal governments. Moreover, a plan for intermediate towns is being formulated, which will be put into effect.

"This will be done through a loan currently being negotiated with the Inter-American Development Bank, the purpose of which is to improve the economic and social infrastructure and the level of activity in certain towns of the country, so that they may serve as dams or curbs for the flow of migration. Of course, at the same time, projects are being executed in the rural areas which, by improving the prospects for living in those communities, will make it possible to link the farmers more closely with their places of origin.

"If we attain these goals, we shall unquestionably be strengthening our democracy and institutional life. If the government, the private enterprise sector, the associations, the trade unions, etc., are projected, with greater influence, into the interior part of the country, offering opportunities to the small urban and farming communities, we shall be building a nation wherein collective prosperity and economic democracy prevail. Hence the great importance to these goals of the plans of the Office for Community Development (ODC) and the Institute of Development and Cooperative Credit (IDECOOP).

"We would not be fair to the offspring of this area if we did not acknowledge the outstanding role that they have always played in every historical era of our country. The example of the Mirabal sisters is a telling instance of that Dominican-like spirit, guided by the ideals of liberty upheld by Juan Pablo Duarte.

"The Government of National Concentration, in recognition of this aggressive political and social leadership with deep roots in this northeast section of the country, which helped greatly to do away with the governments that have denied their people freedom, has paid special tribute to two memorable events in our history: the heroes of 14 June 1959, and the feat of 30 May 1961.

"Today more than ever, when, thanks to those struggles the rule of law and the complete benefit of democracy upheld by the Government of National Concentration prevail in our country, it has become necessary to reorient the political and social leadership of which this area has given an example, conveying it through productive and fruitful channels, just as when the wildness of a river such as the Yuna finds a calm, productive reflection in the dams, irrigation channels and generation of power. In this new approach of the leadership toward development, which is the basis for the economic democracy advocated by our government, a share of responsibility lies with the productive sectors represented by the entrepreneurial class, both industrial, commercial and livestock-raising, as well as the workers, farmers and professionals as a whole.

"Any initiative in this direction by the leadership that is required by the new times will be backed by us. In this regard, our government accepts with particular approval the joint projects of an agroindustrial type, with participation by the public and private sectors, such as the project for the planting and industrialization of pineapple, in which the State Sugar Council will participate as a full legal partner representing the state as will a firm from the private sector; all of this without detriment to any existing enterprise.

"We take this occasion to reiterate that, although social justice is the goal of economic democracy, one cannot lose sight of the fact that the basis of any realistic plan in this direction must be an increase in production and productivity, so as thereby to generate wealth at reasonable cost in a world that is increasingly competitive and open. Part of that generated wealth would be earmarked for reproductive investment, so as to generate more productive jobs, and another portion would be reserved in a distributive manner to undertake social plans and give services to the country's most needy communities; as occurred in the recent campaign for vaccination against poliomyelitis, carried out successfully throughout the entire country by the State Secretariat of Public Health and Social Welfare, with the solidary cooperation of the citizenry.

"In connection with the projects that the government has for this area, I would like to explain that one of the country's largest irrigation projects is the Rio Boba Canal in the province of Maria Trinidad Sanchez, aimed at rehabilitating the area that can currently be irrigated, covering 39,750 tareas, and at incorporating 87,450 tareas, making a total of 127,200 tareas.

"The implementation of this project, on which work has been done since 1975, requires greater dynamism, because of 29 kilometers of the main canal, only 8.7 kilometers have been constructed, without an intake structure. It was idle until 1979, which is when the latter was executed together with a diversion dam, which was not finished, and 5,000 tareas were equipped for irrigation.

"We are issuing instructions to the director of the National Institute of Water Resources to submit a detailed report to us on this important project, so as, on the one hand, to utilize the finished section of that project, and, on the other, to build the lateral canals and infrastructural works required to irrigate the plots of land and to complete the final plan of the third phase.

"This project is an undeferrable requirement, because it will afford the incorporation of extensive areas for growing rice, so as to maintain the self-sufficiency in rice during the coming years, and to benefit the farming families who comprise the farming settlements of Agropampa and Yanguela, as well as others yet to be established.

"Another extraordinarily important project which will make it possible to raise our rice-producing capacity, and thus help to maintain the policy of self-sufficiency in this grain, is the agricultural development project, located in the El Pozo, El Aguacate and El Limon areas of the Yuna, known as Project Aglipo.

"In its first phase this great project, which will be started this year, will have a total cost of 46 million pesos, of which sum the government of Japan will finance \$37.7 million, and the Dominican Government will contribute 9 million pesos as counterpart funds.

"This project will make it possible to provide some 120,000 tareas of land in the El Pozo area with a permanent irrigation and drainage system, affording the procurement of two rice crops per year; which makes it possible to settle about 900 additional families, directly benefiting 2,400 families. Moreover, with this project, there will be a successful prevention of the deterioration and salinization of the soil in the area.

"Also to foster rice growing in the Bajo Yuna area, 700 units of motor-driven cultivators will be distributed before the year's end, delivered with financing facilities to the rice producers in the farming settlements.

"At the beginning of 1984, another 700 motor-driven units will be distributed throughout the country, representing a total of 4 million pesos worth, procured through an agreement for a loan with the Republic of China.

"This northeast area is contributing to the national economy 19,300 metric tons per year of cacao, a result of a million tareas planted; which represents 54 percent of the area devoted to that crop all over the country.

"The cacao growing in this area provides direct and indirect employment for 270,000 persons, this being the reason that, for this cacao growing year, the government will invest the sum of 7.3 million pesos, coming from national funds and financing from the World Bank, in this crop.

"In addition, there has been a reconstruction and expansion of 26.5 kilometers of local roads in the cacao growing area, at a cost of 882,345.84 pesos; and other projects are being implemented to improve the product's quality for export and industrialization.

"With funds from the State Secretariat of Agriculture's cacao commission, the reconstruction work on four local roads, 151 cacao fermenters and 89 dryers is being carried out in the area.

"In Duarte Province, the local roads are the following: Casa de Alto San Felipe-Cruce del Patao, Ramonal Palmarizo-La Bajada, Los Cachones-El Calejon-El Rucio (Castillo). There are 122 cacao fermenters in Villa Riva-Arenoso-San Francisco de Macoris-Mata Yaiba and Castillo; and 70 cacao dryers in Villa Riva-Arenoso-La Pena-Ponton-Castillo.

"In Samana Province, we are building seven fermenters and four dryers at the cacao station in the municipality of Samana.

"In Maria Trinidad Sanchez Province, we are rebuilding the local road of Cruce de Pirula-La Caorcava-La Colmena (Nagua); there are 32 cacao fermenters in Parraya al Medio and Rio San Juan; and there are 15 cacao dryers in Guayabo, El Cruce, La Policia and Rio San Juan; and a housing office has been finished for technicians in Payita.

"Another crop which the government is extremely interested in developing for this area, particularly for the provinces of Samana and Maria Trinidad Sanchez, is the coconut crop; and, in this connection the State Secretariat of Agriculture has set for itself the goal of distributing a total of 6 million plants over the next 3 years, all over the country, but particularly in this northeast area. Moreover, we are giving instructions for the granting of financing facilities to firms engaged in the industrialization of coconuts; an endeavor in which the private sector will have to play a major role.

"Dealing with the requirements of the four provinces represented here, I would like to mention, by way of a summary and subject to expansion in detail by the technicians accompanying me, the basic projects under construction, as well as others that are no less important, for which we are ordering construction to begin immediately.

"In the case of the Dominican Social Security Institute's hospital in this community of San Francisco de Macoris, the central government and that institution, the Dominican Social Security Institute, are assuming responsibility for its completion. Therefore, I am turning over to the engineers in charge of the project a check in the amount of 192,182.83 pesos, as a first contribution from the Dominican Social Security Institute. Next month, we shall deliver the remaining 50 percent. In the case of the St Vincent de Paul Hospital, this November bidding will be carried out for the construction of that hospital's annex and equipment, at a total cost of 900,000 pesos. We have also ordered the pertinent bidding for the construction and equipping of the following rural clinics: La Joya, Porquero, La Bajada, Los Bejucos and Los Lanos, as well as the municipality of Castillo, and the Villa Tapia sub-center, in addition to the Ojo de Agua rural clinic.

"This August, the vocational school will open in this town of San Francisco de Macoris, with a capacity for 150 students per graduating class, devoted to the accelerated training of technicians in the fields of electrical installation, bricklaying, plumbing, carpentry and agricultural mechanics, at a cost of 561,483.25 pesos, obtained through an agreement between the Dominican Government and the World Bank.

"As part of these efforts for technical vocational training, the Institute of Technical-Occupational Training has 35 training courses scheduled which, at a cost of 135,000 pesos, will be held by that institution in this progressive area during the period from June to December of this year; which will benefit 415 workers from the provinces of Duarte, Maria Trinidad Sanchez, Salcedo, Samana and Sanchez Ramirez.

"Inasmuch as 73 percent of the population of this northeast area lives in rural sections, and owing to its diversified agricultural-livestock production, the training activities at the Institute of Technical-Occupational Training will be concentrated on the agricultural sector, and will be carried out in close cooperation with the State Secretariat of Agriculture. A total of 21 courses will be held, giving occupational training to 315 agricultural workers; and 14 courses will be assigned to train workers in the industrial and commercial areas.

"In connection with the Dominican Electricity Corporation, we are giving instructions to that entity's administration for the immediate execution of extension work on the electrical lines installed in : Acicate, Paraje del Rincon, Las Lomas, Rincon Hondo, El Rusio and Las Lomas.

"Similarly, we are instructing the State Secretariat of Public Works and Communications to begin the reconstruction of the Castillo-Hostos-Rio Yuna highway; and, in conjunction with the Dominican Navy, to provide the Hostos community with a vessel on the Yuna River, which represented a very heartfelt aspiration of that community.

"In the municipality of Pimentel, steps are being taking to replace the electric light system and to make immediate repairs on the streets of that town. Also, electric power is being installed in: La Yaiba, Arevano Section, Castillo, Los Lanos and Rincon Hondo; as well as Loma de la Joya in San Francisco de Macoris, Los Arroyos-La Joya and Altos de La Javiella; in addition to the installation of mercury lamps. All of this will cost a total of 302,761 pesos.

"As for the situation being experienced at the public jail in this town of San Francisco de Macoris, which has been a cause of social upheaval in the province, we are ordering the payment of 80,000 pesos to start construction on that jail immediately. We are also taking steps to repair the Palace of Justice in this community, at a total cost of 69,602.35 pesos; and, similarly, the remodeling is under way on the building where the offices of the provincial government operate, at a cost of 264,161.25 pesos; as well as the construction of the school with eight classrooms in the Indios Section of Cenovi, at a cost of 151,858.14 pesos.

"In addition, we are undertaking the execution of the following local roads: Cruce de Cenovi-Portuqueros; Los Canchones-Sabana Grande; Cruce de Cenovi-Mal Nombre; La Llave-La Mesa-Casa Vieja; Pista de Nagua-La Pena-Monte Negro-Ponton; and Los Llanos-Rincon H-La Guazarita, at a total cost of 1,126,153 pesos. Furthermore, the reconstruction work is in progress on El Abanico Highway-Villa Riva-Arenoso, and San Francisco de Macoris-Tenares-Salcedo-Moca-Santiago; as well as on the Salcedo Monte Llano Highway, the work on which had been at a standstill, and we have issued instructions for its resumption.

"We have also given proper instructions to begin the repairs on the sports complex facilities in San Francisco de Macoris, at an approximate cost of 43,000 pesos.

"Similarly, the government is executing the Aguayo housing project through the National Housing Institute and the Dominican Agrarian Institute. This project consists of 251 dwellings, at a cost of 475,690.52 pesos. The execution of the project has been assigned to 10 contractors and, on 16 August of this year, its completion is anticipated, with the sidewalk and street facilities to be provided by the Dominican Agrarian Institute yet to be finished.

"As for the Madrigal housing project under construction in this town, during its first and second phases 200 dwellings have been built. Next month, we shall begin the third phase, with 100 additional units, making a total of 300.

"Insofar as the agrarian reform in the area is concerned, the Dominican Agrarian Institute has included in its plans a total area of 2,198,751 tareas, directly benefiting over 117,000 farmers. In the province of Maria Trinidad Sanchez, the largest amount of land has been distributed: 741,780 tareas, benefiting 9,332 families. This year, the procurement of 23,200 tareas has been scheduled, which will directly benefit 377 families. Also to be cleared are 78,900 tareas, which will benefit 920 families.

"As part of the program for water supplies to the rural areas, we have given proper instructions to extend the supply lines to the following communities: La Cienaga, from Cuadra to Brazo Grande; San Vicente de Paul District, Vista del Valle; and Los Cocos, in San Francisco de Macoris. A program for installation of mills will also be started in La Enea, La Laguneta, Chavical, La Zarza and Hatillo. At the present time, the multiple waterworks are being built in Cenovi and Villa Riva, as well as the waterworks for the Caobete agrarian settlement. In addition, expansion is under way on the waterworks systems in Pimentel and Jimillo; projects the cost of which totals 4.2 million pesos.

"With regard to the province of Maria Trinidad Sanchez, we have instructed the Dominican Electricity Corporation to extend the electrical system to PRD Districts, Roberto Fermin, Santisima Trinidad, Quisqueyano, Districts 1 and 2, El Soldado, Maria Trinidad Sanchez Avenue and the settlement of Matancitas. The electrical system will also be connected with the Bejuco Wire Section.

"In Cabrera, steps will be taken to extend the electrical systems in Catalina Arriba, Catalina Abajo and Lima de Jagua; for which purpose we are ordering the Dominican Electricity Corporation to perform this work as promptly as possible, in mutual agreement with those communities whose residents, in a highly significant gesture, collected the sum of 3,000 pesos as a contribution to the installation of electric power, also offering the labor at no cost to the state.

"In the town of Nagua, the State Secretariat of Public Works and Communications is building the Catholic church, at a cost in excess of 300,000 pesos; as well as the firefighting corps building, and the elementary school in Rincon Molenillo; and remodeling and expansion are under way on the cemetery, all at a cost exceeding 700,000 pesos. In addition, work will be done on the construction and reconstruction of the following local roads: Nagua-El Drago; El Yayal-Placer Bonito; Los Naranjos-Las Gordas; Guarapo-Los Jengibres; Los Pajones-El Papayo; and Agropampa Settlement-Yanguela.

"The State Secretariat of Tourism is completing the studies relating to the project for remodeling the Matancitas Tourist Center in Nagua, as well as on the construction of the sports and park areas at Poza de Bojolo.

"The National Institute of Waterworks and Sewerage (INAPA) is building a multiple waterworks including the communities of Matancitas, Las Gordas, Jengibre, Mata Bonita, La Piragua, La Lometa, El Brazo, La Represa and Arroyo al Medio, at an approximate total cost of 6.7 million pesos. Also under construction is the extension of the multiple waterworks from Los Limones to La Pichinga, at an approximate cost of 28,000 pesos.

"At our decision, the National Institute of Assistance and Housing (INAVI) is building 500 dwellings in the municipality of Nagua, on which over 3,000 laborers will work. This project has a total cost of 1.9 million pesos. Its first phase, consisting of 308 dwellings, will be ready for opening on 16 August of this year.

"As for the municipality of Rio San Juan, we are working on the construction and reconstruction of the town's streets.

"In the province of Samana, the State Secretariat of Public Works and Communications is working on the following local roads: Samana-Rancho Espanol-El Limon; El Limon-Las Terrenas; Manuel Chiquito-El Rincon-Los Llanos.

"Construction is under way on the municipal slaughterhouse in Samana, and we have arranged for the construction and reconstruction of the streets, sidewalks and curbs in the municipality of Sanchez, so long overlooked by all governments. We are also ordering the construction of the hurricane fence at the Jose Gabriel Garcia School. We would also like to report that, in cooperation with the Dominican Corporation of State Enterprises (CORDE) and the private sector, a marble enterprise will be established in the vicinity of the Arroyo Barril dock, which will generate about 1,690 new jobs in the area, promoting its development.

"The State Secretariat of Tourism, in conjunction with the State Secretariat of Sports, Physical Education and Recreation, is also ready to provide the La Galera and Cayo Levantado beaches with sports and recreation facilities.

"Regarding the construction of the annex and second story of the Emiliano Tejera School in Salcedo, priced at 224,881.99 pesos, we are turning over to engineer Romulo Vallejo, the planning consultant for the Executive Branch, the first contribution, amounting to 45,313.09 pesos, for the immediate initiation of that project. Moreover, we are taking steps to expand and reconstruct the public jail in Salcedo; and for January 1984, the construction and repair of the streets, sidewalks and curbs in that municipality have been planned.

"During the next few days, the Dominican Electricity Corporation will install the lamps on the electrical line in the municipality of Villa Tapia. We are currently expanding the electric power to Coco and Sabana Angosta, as well as to Santa Ana-Villa Tapia, at a total cost of 139,288 pesos.

The State Secretariat of Public Works and Communications, in turn, is repairing the Maria Josefa Gomez, San Jose and Alto de Piedra schools, also in Salcedo.

"Insofar as the Salcedo sports complex is concerned, we have issued instructions to the State Secretariat of Public Works to resume and finish that project.

"Today, we are turning over to the Villa Tapia municipal representative a special subsidy of 5,000 pesos to provide for that community's urgent needs, continuing the policy of assistance to the municipalities that we have devised in accordance with the program of the Government of National Concentration.

"The National Institute of Waterworks and Sewerage (INAPA) is finishing construction on a fire station in the municipality of Tenares to supply the Salcedo-Villa Tapia waterworks, at a cost exceeding 160,000 pesos. We are undertaking the expansion of the distribution system of the Tenares waterworks, at a cost of 45,000 pesos.

"Our presence in this area obliges us to recall a prominent person in history related by bonds of blood and residence to San Francisco de Macoris. We are referring to Pedro Francisco Bono, who lived from 1828 to 1906, spending his life as an intellectual leader associated with the problems of his native land during the second half of the 19th century, a period of great importance to the development of the political, philosophical and economic ideas of the Western world. With reference to the ideas on social progress called new in our time, Pedro Francisco Bono mentioned "the need to combine wealth and justice," whereas, on the other hand, he also stressed the advisability of having representatives of the community participate actively in the government when he remarked: 'It will be good for us to call upon the people, through the auspices of their most prominent members, to concern themselves with the government of their affairs, to study them, to become familiar with them and to resolve them with a conscience, with moderation and with good faith; to let the young be tested and the old to be engaged in this useful work, the most dignified, according to Cicero. And then the habit of listening will rid us of so much touchiness; and, provided the language is heedful and moderate, they will listen and we shall listen, they will learn and we shall learn, and finally we shall find the door of our good fortune, now closed, and perhaps our greatness.'

"Today, the Government of National Concentration has come to make an appeal to this community, and to all the Dominican people in it, to follow the guidance of Pedro Francisco Bono. Let us pool our efforts in search of our good fortune and our greatness.

"With reference to the responsibility that the private sector would have to assume toward the problems, which are not within the exclusive jurisdiction of the government, the author from Santiago and San Francisco de Macoris made the following statement in prophetic terms filled with timeliness:

"'There is in the country a deep belief, a deeply rooted opinion, that the government does and can do everything.' Bono thereby agreed with the pressing need for private individuals, rather than leaving exclusively in the government's hands the handling and control of the community's problems, including its social crises, to play an active part in the search for solutions and in the consistent execution thereof.

"Finally, Pedro Francisco Bono, who lived much of his life in this town of San Francisco de Macoris, appears to invoke from the world beyond his humanistic

notion of the final goal of society, which we share: 'The goal of any society, whether it is the domestic, the tribal or the national, is happiness. Without it, no society has a reason to exist, because man's endeavor is to be happy.'

"I would not wish to end this address without making a statement which transcends the bounds of this area itself: There are still resounding in the atmosphere the shots from a between young delinquents and members of the National Police, which caused a deplorable toll in the vicinity of Don Juan, in the municipality of Monte Plata. As on other occasions, I went personally to the scene of the incident, which was caused when the young armed holdup men attempted to steal the safe of a resident of that area, situated on the old Cevicos road to the capital in that part of San Cristobal Province, which now has its own provincial demarcation soon to begin. Young assailants lost their lives. The National Police sustained not only injuries among officers and troops, but also the death of a praiseworthy sergeant. These members of the National Police who participated in the action were justifiably promoted by me, for merit in the defense of the citizenry.

"This recent incident, with a death toll and several injuries among civilians and police authorities, bears witness to circumspection in the assignment of blame when a higher good such as the defense of the citizens' lives and of public order is threatened, and much more so when the bound defenders thereof are compelled to act in their defense if the security of the Dominican family is not to be jeopardized.

"I admit that the occurrence of such incidents is upsetting, and God knows how immense my joy would be if they were never repeated."

Paper Hails Speech

Santo Domingo LISTIN DIARIO in Spanish 28 Jun 83 p 6

[Editorial: "A Dynamic Speech"]

[Text] The speech delivered by the president, Dr Salvador Jorge Blanco, at the recent Government Council held at San Francisco de Macoris, was a summary of action under way or soon to be undertaken in the northeast area.

It was evidence of governmental dynamics which should be very well received.

Nearly all the aspects of regional life were included in the programs and projects announced: local roads, expansion of electrical services, completion of irrigation canals, construction of hospitals, repairs on neglected projects, agricultural development plans and housing construction.

The northeast area, headed by San Francisco de Macoris, has been destined to acquire a considerable impetus.

The president also stressed the necessary participation of the private sector's initiative for regional development.

He reported, or repeated the information, concerning an interesting plan: the program for intermediate towns, with backing from the Inter-American Development Bank.

In view of the constant emigration of farmers to the larger towns, and San Francisco de Macoris is one of them, it has been decided to provide smaller towns with all the services and facilities, so as to bring about the settlement of the farmers in the sphere of influence of those intermediate towns.

Hence, those services and facilities would not be aimed at creating small towns with capital status which would attract their own groups of immigrants, but rather would be geared, as one of their functions, toward preventing the rural people from feeling unprotected and deprived of the services that they require for a more secure and comfortable life, and toward serving as a place where they could go to solve the problems of farm life.

This is something complex and difficult, but it deserves to be undertaken.

In short, the speech delivered by Jorge Blanco in San Francisco de Macoris was an explanation of an extensive context of government tasks in the service of a region.

The course of their execution will be well worth following.

2909

CSO: 3248/1105

HANDEL INTERVIEWED ON POLITICAL STRATEGY, U.S. ROLE IN CENTRAL AMERICA

Moscow SOVETSKAYA ROSSIYA in Russian 25 Mar 83 p 5

[Interview with Shafik Jorge Handel, general secretary of the El Salvador Communist Party Central Committee, by Aleksandr Petrukhin, date and place not specified: "'Sooner or Later We Shall Win'"]

[Text] Shafik Jorge Handel, general secretary of the El Salvador Communist Party Central Committee, and commander of the Farabundo Marti National Liberation Front, was born in 1930. He has participated in the revolutionary movement since he was a boy, and at 20 he became a communist. In 1959 he was elected to membership in the El Salvador Communist Party (SCP) Central Committee, and 14 years later he became general secretary of the SCP Central Committee.

Aleksandr Petrukhin asked the leader of the El Salvador communists to answer a series of questions.

[Question] The flame of the people's revolutionary war has been blazing in El Salvador for three years. What contributed to the emergence of this war, what forces are participating in it, and what are the results of the war as of today?

[Answer] I will note first of all that the democratic community of the country was trying to resolve substantial problems in a peaceful way, by means of elections. In 1972 and 1977 the national opposition alliance, a broad coalition of patriotic forces, sustained victory in the presidential elections. But each time their results were falsified, and power was seized by a reactionary military clique, which took harsh repressive action against the opposition, and especially the communists. That is why the leftist forces were forced to take up arms. In our conditions there was no other path to take. There emerged a revolutionary situation, which required decisive action against a mercenary pro-American regime. However, resistance increased gradually. At first the leftist forces acted independently, which was to the enemy's advantage. But in the end, reason, the desire for victory and unity won out. The theses of the El Salvador Communist Party, which were adopted at its 7th congress in April 1979, say: "In order to do away with the present reaction it is necessary to have greater revolutionary organization

even in backward countries; it is necessary to have more capable leadership and more energetic coordination on a national and international scale of the efforts of those who are conducting the struggle at the grass roots." By fulfilling the decisions of their congress, the communists made a decisive contribution to the unification of the leftists forces which oppose the reactionary dictatorship. The Revolutionary-Democratic Front (RDF) was organized in April of 1980: it represents a broad coalition of patriotic forces, including a number of political parties, mass organizations of the city and countryside, primary trade union centers, representatives of the progressive intelligentsia and students, the church and the democratically inclined military. And the Farabundo Marti National Liberation Front (FMNLF) was established in October of 1981: it included the armed units of five revolutionary military-political organizations--the Communist Party of El Salvador, the Farabundo Marti People's Forces of Liberation, the Revolutionary People's Army, the National Resistance, and the Revolutionary Party of the Central American Workers.

In October of last year the insurgent army began a broad-scale attack on government troops, an attack which is continuing successfully to this day. In three years of the people's war the enemy has lost 6,000 people, or 20 percent of its forces. In order to increase the size of the army, the authorities are forcibly calling up adolescents aged 14 to 17.

[Question] What is the U.S. role in the Salvadoran events?

[Answer] It is a most shameful one. Washington is the inspiration of the Salvadoran reaction, which has unleashed genocide against its own people. People ask why a very wealthy capitalist state such as the USA is interfering in the internal affairs of the smallest country in Central America? What have they lost there? Let us recall history. The USA has long considered this region to be its own fiefdom. It has supported the most reactionary regimes here, and when the security of their puppets was threatened, they sent marines and CIA agents. This is the way it was in Nicaragua, as well as the Dominican Republic and Guatemala.

It goes without saying that it is not the picturesque scenery which attracts the Yankees to Central America. American companies pump fabulous wealth out of the countries in our region. And, fearing the loss of a cheap, unfailing source of profits, the USA is doing everything possible to prevent a revolutionary explosion in Central America. But once it did happen. Not long ago this is what happened in Nicaragua, where the people threw out the odious Somoza regime and they are now building a life according to their own wishes. Nor is it quiet in Guatemala. A guerrilla movement has started in that country. And a people's revolutionary war is going on in El Salvador. The U.S. rulers do not hide the fact that if they lose this country too, it will be a serious blow to their positions in Latin America. That is why the Reagan administration is increasing its arms deliveries to the Salvadoran regime, is sending military advisors there and is establishing on American soil--brigades to combat the guerrillas, brigades which are made up of Salvadoran government troops.

[Question] Is direct intervention in El Salvador by the USA or its satellites possible?

[Answer] The danger of this should not be discounted, especially if one takes into account the unpredictable nature of the Reagan administration's policy. But if this takes place, the Salvadoran patriots will not give in, they will fight to the finish.

However, it is more and more difficult for the USA to carry out such intervention. Washington is forced to take into account the fact that the FMNLF and RDF policy enjoy broad support from all progressive humanity, from many governments and the Socialist International, not to mention the socialist camp headed by the Soviet Union. In the event of U.S. aggression against El Salvador, the revolutionary flame may encompass Latin America and create a tense situation in all of Latin America.

In other words, American intervention could become a second Vietnam, where the USA, as is well known, suffered not only a moral, but also a military defeat.

Another factor which should not be discounted is the increasingly energetic opposition to intervention by the U.S. government in the affairs of El Salvador, which is being expressed by broad circles of American public opinion. In the USA 227 committees of solidarity with the Salvadoran people's struggle have been created.

[Question] What kind of work is the FMNLF doing in the liberated area?

[Answer] First of all it is establishing organs of the people's power, which are fulfilling various tasks. The main one is to mobilize the popular masses to defend the free area from the enemy. Another, no less important task, is to eliminate illiteracy. For this purpose we are opening schools and publishing newspapers.

The organs of people's power are also concerned with such questions as the production of foodstuffs, the output of clothing and the repair of shoes.

Taking into account the fact that a majority of the El Salvadoran people are believers and that many priests take anti-dictatorship positions, we do not hinder the opening of churches in the regions which are under FMNLF control. In this way we attract Catholics and Protestants to our side.

In conclusion, I would like to emphasize that we do not want to resolve the problems facing us only by means of arms. That is why, despite the military successes which we have achieved, the FMNLF and the RDF have proposed to the government the start of peaceful negotiations without any preliminary conditions.

There are many difficulties awaiting us, but we are looking to the future with confidence. Sooner or later we shall win!

8543

CSO: 1807/289

IADB APPROVES LOAN FOR SONSONATE PROJECT

San Salvador LA PRENSA GRAFICA in Spanish 2 Jul 83 pp 4, 22

[Text] The Inter-American Development Bank yesterday approved \$115,000 for an agro-industrial project in Sonsonate.

The loan will reportedly benefit some 670 low-income persons who do not have access to conventional sources of credit.

The project will be carried out by the El Castaño Cooperative for Agricultural and Livestock Production and Multiple Services, of R.L., a private nonprofit organization for promoting cooperative education, technical training, and the improvement of the standard of living of its members. All of them it was commented, devote themselves to the production of corn, truck produce and fruits, as well as pigs and poultry.

The \$115,000 operation was approved under the bank's program for the financing of small projects and will allow the establishing of a pilot project for the processing and marketing of tomato products.

The funds will be used for the procurement of packing materials and to finance the project's administrative and sales costs. The project provides for renting the tomato and fruit processing installations of the National School of Agriculture. An estimated 300 tons will be processed in the second year of the project.

The new activity will create new employment opportunities, particularly for women, which will allow higher incomes for the producers' families.

It will allow further for the substitution of products that are presently all imported, with a corresponding saving of foreign exchange.

The members of the cooperative have been receiving training in the processing of the raw materials under a technical aid program financed by the US Agency for International Development (AID).

The total cost of the project is estimated at \$115,000, which will be totally financed by the IADB. Up to \$28,000 will be paid out in foreign currency and the rest in local currency.

PPS PROPOSES SPECIAL INCENTIVES FOR EASTERN DEPARTMENTS

San Salvador EL MUNDO in Spanish 5 Jul 83 p 3

/Text/ The Salvadoran Popular Party, PPS, asked the Constituent Assembly to declare all productive activity publicly useful, whether agricultural, commercial or of any other kind carried on in the Departments of San Miguel, Morazan, Usulután and La Unión.

The plan presented by Mr Francisco Quinones Avila, under the initiative of Deputy Genaro Pastore, seeks reduction of interest rates, a discount in the price of gasoline and diesel fuel, exemption from the territorial farming and cattle-raising tax and from the increase in the stamp tax, in order to provide incentive to productive activities and lower the cost of living in the Eastern zone.

In the reduction of interest rates, an annual rate of six percent is being sought in favor of credits to the farming and cattle-raising sector. Let the PPS excuse itself from the territorial tax that would be assessed on 31 December 1982, on all the landowners who prove they have farmed their lands reasonably and that they have generated jobs.

If a landowner had both cultivated and uncultivated lands, the tax would be assessed only for the latter, says the plan.

As far as the industrial sector is concerned, the PPS claims to benefit it by asking that the interest rate on credits agreed to or about to be agreed to, be reduced to an annual rate of 10 percent. Also, in comparison to present costs, both employers and workers ISSS would be made 30 percent lower. The PPS also suggests exempting employers from making ISSS payments for any new employees or workers they make contract for a period of 1 year--the same period of time during which the other measures would be in effect.

In addition, they request that the increase in the stamp tax be lifted, and that the price of special gasoline be lowered to 6 colons, of ordinary gas, to 5.30 colons, and of diesel fuel, to 3.70 colons per gallon.

They are also making other efforts involving refinancing credits in default, extending the time limits agreed on up to now.

12448

CSO: 3248/1055

MONETARY BOARD SEEKS JAIL TERMS FOR BLACK MARKET EXCHANGE

San Salvador EL MUNDO in Spanish 1 Jul 83 p 2

/Text/ Yesterday the president of the Central Reserve Bank, Alberto Benitez Bonilla, said that the Monetary Board of El Salvador is trying to make the purchase or sale of foreign exchange a crime in view of the high price it commands on the black market.

The official explained that the penalties currently are limited to fines and that no matter how much the police authorities wish to prevent the speculations being reported, they cannot do anything, even though they check the buyers in the area around post offices and elsewhere.

It was brought to the attention of the president of the BCR that there are offices here that receive telex drafts and that this device can indeed be perfectly controlled by the government. Mr Benitez Bonilla said that through the efforts of the Monetary Board, Treasury and Justice will present a detailed plan for penalizing such operations by reforming the penal code and providing for jail terms of from 1 to 4 years.

With regard to currency devaluation, the president of the BCR said yesterday that the rumors of devaluation are false and unfounded, and state that in the Central American area the Salvadoran colon is "the currency most likely to maintain its parity."

Later the president of the BCR said "our present financial and foreign exchange policy is governed by a healthy discipline which has managed to reduce the imbalance in the balance of payments to manageable levels, thereby securing the improvement in our international liquidity.

On the other hand, the informant added: "We are receiving backing from the international financial community, though not on the optimum level but enough to meet the imbalance in the balance of payments."

The official maintained that the foreign exchange measures instituted are yielding the expected results, contributing to the prevention of greater imbalance of payments abroad by means of a rational handling of available foreign exchange.

Similarly, he explained that the best way to be patriotic and help preserve the value of the currency is to prevent as far as possible the holding of seminars or lectures on devaluation. This subject, he said, "is extremely complex and highly technical. It has many different, independent or international causes, and has well-defined effects. This is why it is hard even for an expert in the brief time of a lecture or seminar to describe the phenomenon in terms most people can understand."

Finally, he stated that the only ones the devaluation of the currency would favor is exporters, and, most of all, large exporters, not importers or the people.

12448

CSO: 3248/1055

BRIEFS

COFFEE EXPORTS TO ARGENTINA--The export of Salvadoran coffee to the Argentine Republic will get under way within the next few days. The first shipment consists of 10,000 quintals and is the result of negotiations between the Governments of El Salvador and Argentina. This was reported yesterday by the Minister of Foreign Trade, Federico Schonenberg, after a meeting with the president of the Salvadoran Coffee Institute, Eng Enrique Aflaro Castillo. He pointed out that coffee shipments to Argentina are of great importance and that the ELMA shipping lines of that country are calling at Salvadoran ports to promote more foreign trade between the two countries. This means greater ties of friendship and trade between the two peoples, the Foreign Trade Minister reiterated. He stressed the importance to the national economy of opening more markets, since it is a greater source of promotion for our exports and thus for foreign exchange earnings. Argentina's Ambassador to El Salvador, Dr Victor Bianculli, offered valued collaboration and assistance with the negotiations. [Text] [San Salvador LA PRENSA GRAFICA in Spanish 2 Jul 83 pp 5, 11] 12430

IMF COMMITMENTS MET--El Salvador has met all commitments established by the International Monetary Fund (IMF), declared the President of the Central Reserve Bank, Alberto Benitez Bonilla. He then referred to the recent visit of an IMF delegation to the country to study and learn about the peculiarities and necessities of our economy. The Central Bank president stressed that the deadline for compliance with the IMF's requirements is the middle of this month, which is a real cause for pride for us, since in spite of our difficult situation, we have fully met all conditions agreed to with that institution. We hope, said Benitez Bonilla, to arrange for new contracts based on the studies and analyses of our economic situation made by the technicians who have just left the country, as well as with other delegations to come later. The bank president stressed the advantages for our country, the healthy discipline of our financial and foreign exchange policy, which allow us to deal reasonably with our adverse balance of payments situation. The Central Bank president took the same opportunity to announce that a group of lawyers is already studying reforms to the Penal Code to introduce foreign exchange and to provide for prison terms for those who buy or sell foreign currencies. [Text] [San Salvador LA PRENSA GRAFICA in Spanish 2 Jul 83 pp 5, 42] 12430

WORKER COMPENSATION AWARDS--The office of the Inspector General of Labor, in the Ministry of Labor and Social Welfare, has called for worker compensation

awards totaling 3,791,854.01 colons. In another action, the same office ordered that 103,083.77 colons be paid to workers for back wages, vacations, and other benefits for the same period. Fines were also imposed in the first case in Industry and Commerce in the amount of 6,250.00 colons. The number of inspections and reinspections carried out in commercial, industrial, and service establishments was 1,821, with another 435 in Farm and Live Stock Labor Centers, making a total of 2,256 initial and repeat inspections. The report presented to Labor Minister Dr Julio Alfredo Samayoa Jr by the Inspector General of Labor, Dr Jose Roberto Medina, adds that these actions were carried out in the last 30 days. Inspections covered 10,360 workers in industry, commerce, and services, and 4,423 in farming and livestock raising. All told, 1,183 inquiries have been handled under the Labor Code. [Text] [San Salvador DIARIO LATINO in Spanish 7 Jul 83 p 13] 12430

MEDICINE PRICES QUESTIONED--The high cost of medicine in the country is unexplainable, since the imports of these products have not been affected by the rise in the foreign exchange rate. This opinion was shared by several pharmacists who do not own their own pharmacies on learning from an official statement by the Central Reserve Bank that the bank had sold dollars to the importers of medicines at the official exchange rate of 2.50 colons to the dollar. Actually it was the president of the bank, Mr Alberto Benitez Bonilla, who announced that the field of medicine retained priority at the official exchange rate of 2.50 colons to the dollar. It has been noted that the pretext the merchants use to justify the rise in current prices of foreign products, is the exaggeratedly high level the dollar has reached on the black market, which is of over 5 to 1. If the importers of medicines are in the same position they were in before, how do they justify the price increases in these products? is the question asked by those who point out the anomaly. To illustrate these remarks, they point to the fact that there are medicines whose prices have risen up to 300 percent, in relation to their cost 2 or 3 years ago. So that the low exchange rate has in no way benefited the public. /Text/ /San Salvador DIARIO LATINO in Spanish 5 Jul 83 p 3/ 12448

CSO: 3248/1055

MONETARY BOARD AUTHORIZES 400-MILLION QUETZAL BOND ISSUE

Guatemala City PRENSA LIBRE in Spanish 8 Jul 83 p 2

[Text] The Monetary Board has authorized the Bank of Guatemala to issue stabilization bonds in dollar amounts equivalent to up to 400 million quetzals which may be acquired by persons who conduct operations involving payments abroad.

The above decision was approved by the Monetary Board at its session of 28 June, among other measures involving monetary, exchange, and credit policies for the period 1 June to 31 December 1983.

According to the regulatory provisions for the issuance, placing, and amortization of the bonds, the objective is to neutralize excess liquidity of the banking system and establish a definitive register of maturing foreign obligations.

In cases where creditors expressly accept them as a means of payment, they can be used to fulfill such obligations. The bonds will be amortized in dollars at due date, which will be 5 years from the date of issue.

However, when circumstances permit, the Bank of Guatemala may reacquire the bonds prior to the due date at face value. These will have the full and unlimited guarantee of the bank.

According to the decision of the Monetary Board, all operations involving payments abroad must be registered by the exchange department, which will grant authorization through the issuance of exchange licenses.

In order to obtain the exchange license for matured obligations, it will be necessary to attach proof of acquisition of stabilization bonds in dollars to the application for foreign exchange in the amount of foreign exchange requested, except for amounts below 100 quetzals. Applications for payments in the Central American region, government agency payments abroad, and payments mentioned in Article 48 of these regulations are exempt from this requirement.

The Monetary Board decision will go into effect on the day of its publication in the Official Gazette, subject to approval by the executive branch, which has not been received to date.

9015

CSO: 3248/1062

FINANCE MINISTER ANNOUNCES REDUCTION IN NEXT BUDGET

Guatemala City PRENSA LIBRE in Spanish 7 Jul 83 p 2

[Text] There will be a reduction of 15 million quetzals in the budget for this 6-month period. Leonardo Figueroa Villate, minister of public finance, announced yesterday in a brief appearance.

Eighty percent of the cut will affect decentralized entities, and the remaining 20 percent will affect government departments. The first cut in this zero-based budget occurred in March.

The budget approved for this period is close to 1.2 billion quetzals, and the items involved in the cut are not considered urgent since emphasis has been put on other items. The latter were not mentioned.

Request of the University

Regarding the request for an increase in the budget of the University of San Carlos, the minister stated that there had been no decision since no report on the economic crisis in the university had been received. In order for this request to be considered, it is necessary for the university authorities to submit the requested report; this is needed for the study and resolution of the request made to enlarge the university budget.

Municipal Bills

City governments have submitted their budget proposals to the Ministry of Public Finance, and they will be examined by a special commission which will be named shortly, the official said.

Tourist Incentives

Finally, speaking of tourism, which is a producer of foreign exchange, Leopoldo Figueroa Villate said that the government will create incentives to improve growth. This is aside from the fact that within the IVA tax program tourism will have a zero rate, that is, it will not be subject to the 10 percent levy. This is part of the campaign to revive tourism in this country.

9015

CSO: 3248/1061

CIEN PRESIDENT POINTS OUT DEFECTS IN PRESENT TAX SYSTEM

Guatemala City DIARIO EL GRAFICO in Spanish 6 Jul 33 p 27

[Text] If one starts with the premise that a true tax reform should contemplate the elimination of all those taxes that hinder the development of a country, it follows that the cancellation of the income tax is not only necessary but urgent, since this tax constitutes the greatest stumbling block to the economic growth of Guatemala, declared engineer Fernando Garcia, President of the Center for National Economic Investigations (CIEN) during a recent talk delivered to the members of the Rotary Club of Guatemala.

Invited by the Rotary Club to analyze the tax package whose adoption is presently under study by the economic cabinet and by the president of the Republic himself, Garcia first presented some reflections on the present Guatemalan tax system (which are presented in another article on this page), with the intention of having those considerations serve as a frame of reference for analyzing the bills which would implement the so-called "tax reform." The president of the CIEN then referred to each of the nine proposals elaborated by the Ministry of Public Finance. On this opportunity, EL GRAFICO ECONOMICO presents the considerations set forth by the president of the CIEN on two of the said proposals:

- 1) The proposed changes in the income tax.
- 2) The plan which proposes a new valorization of commercial goods.

Considerations on the Proposed Changes in the Income Tax

The income tax taxes the incomes which are the sole domestic source of investment, growth and increased employment for a country.

It takes a whole book to describe it and a whole library to protect oneself from it. The universities offer courses that teach how to survive in the presence of this tax.

The income tax destroys the very roots of good citizenship, since it obliges the citizens to operate very close to the dividing line between what is legal and illegal.

The income tax furnishes the greatest source of diseconomy for the country; it is capable of upsetting the natural ordering of options which are calculated to be produced. Thus it directs resources toward activities which in its absence would be immediately abandoned.

The income tax affects accounting when it starts to regulate the total of the depreciations and other accounting variables. With the income tax, accounting little by little has changed its function as an instrument of managerial control. It has become reoriented toward an accountancy primarily for tax purposes.

The income tax is a costly tax; it forces the citizen to transform himself into a bill collector. At the end of the fiscal year he faces complicated forms; to fill them out an expert is generally required. From the standpoint of the treasury, this is the tax that requires the most personnel and equipment for administration and checking. The resources that the financial community invests in the income tax are higher than those which are allocated to all other taxes taken together (excluding only customs duties).

No modification of the tax is capable of neutralizing its negative effects on the creation of productive employment. A true tax reform should include the elimination of taxes which hinder the development of the country. The greatest stumbling block to economic growth is the income tax. Therefore its cancellation is not only necessary but urgent.

The bill which proposes changes in the income tax introduces significant changes in the tax. In the opinion of the president of the CIEN, those of greatest importance are the following:

1. It allows deducting losses in a single year.
2. The new taxes are not deductible from the income tax.
3. It eliminates the export taxes on livestock on the hoof.
4. It introduces the concept of taxable income, to be applied to independent professionals. The taxable income for the majority of the professionals is some 18,000 quetzals per year.
5. It increases the tax on the income of persons residing abroad by 25 percent.
6. It increases the tax on personal services for persons residing abroad by 100 percent.
7. It increases the tax on transfer of technology from abroad by 150 percent.
8. It changes the tax schedule for the tax on business profits. It establishes a maximum rate of 30 percent for incomes higher than 250,000 quetzals. Incomes lower than this amount are subject to taxes lower than at present. The percentage decrease varies according to the total taxable income. In the majority of the cases this decrease is between 5 and 15 percent. There is an exception with incomes between 7,765 quetzals and 10,000 quetzals for which the new tax is higher. This increase does not exceed 4 percent.
9. The personal income tax retains the same schedule as before, but adds in dividends and received income with the object of increasing the taxable income to a higher rate. This higher rate applies to the total income. From the obtained tax is deducted the tax previously paid on income and dividends.
10. It abolishes exemptions allowed to persons by law or by contract sanctioned by law.
11. It progressively eliminates (50 percent the first year, 75 percent the second and total elimination the third) the tax on exports of traditional products (coffee, bananas, cotton, wood, sugar, meat and shrimp). The reduction goes into effect immediately.

12. It establishes a certificate of tax payment (CAT) of 10 percent on the export of nontraditional goods to countries outside the Central American area, Panama and other countries with which multilateral and bilateral trade treaties exist; when nontraditional producers are involved, besides the fact that the CAT will be 15 percent the procedure for obtaining the CAT will be subject to formalities and special paperwork, and the exporter must sell his foreign exchange at the rate established by the government.

9828

CS0: 3248/1039

INCOME TAX REFORMS PROPOSED TO STIMULATE GROWTH

Guatemala City DIARIO EL GRAFICO in Spanish 6 Jul 83 p 27

[Article: "Present Tax System Hinders Development of Guatemala"]

[Text] The economic development of Guatemala is presently hindered by a tax system which affects all sectors, according to further statements by engineer Fernando Garcia, president of the Center for National Economic Investigations (CIEN), in addressing the subject of the tax system in effect in our country. This system, he explained, represents for the public wasted time and resources in useless bureaucratic red tape. For the production sector, he continued, it means unnecessary increases in costs and restrictions on capitalization. For the government it means high administrative costs and insufficient revenues. In sum, he concluded, the tax system presently in place means, for the country as a whole, poor utilization of the available resources, high prices and under-employment.

Principal Characteristics of the Present Tax System

Addressing himself to the characteristics of the present tax system, the president of the CIEN mentioned the following:

1) It is very complicated.

It is composed of more than 110 tax applications. Fifteen of these generate 90 percent of the revenues. The other 95 constitute the dregs of the system. They only create nuisances for the populace and increase the costs of collection, generating scarcely 10 percent of the country's tax receipts.

2) It is outdated.

It retains taxes established more than 50 years ago, some of which are applied to activities which are no longer being practiced. It retains all the improvisations which in the past served to solve the difficulties of a given moment.

3) It is a source of citizen immorality.

The complexity of the system results in obstacles, complications and waiting lines for the taxpayer. In many cases annoying formalities are required for paying small sums. At least for these instances it can be stated that what the taxpayer evades is not payment itself, but the red tape and annoyance.

4) It promotes administrative corruption.

The tax system in place permits the use of discretionary and often arbitrary criteria on the part of the civil servants. The civil servant can decide on the classification of a good or service. In that way the civil servant decides what tax rate must be paid on the said good, and can also alter the quantity or price of the good in question. Thus the system itself considerably weakens the honesty of the civil servants entrusted with its application.

5) It is a costly system.

In this year's budget about 40 million quetzals will be allocated for the planning, administration and monitoring of the tax system. In previous years the cost was even higher; in many cases the costs for administering a tax are greater than the revenues obtained from it.

6) It capriciously alters price.

There are many cases in which the tax system distorts relative prices, causing consumption of less taxed articles instead of those which are more economic for the country. The lack of neutrality in the present tax system necessarily leads to uneconomical use of the nation's resources.

Garcia told the members of the Rotary Club that in his judgment the foregoing considerations indicate the advisability of replacing the present tax system. Of course, he added, the change just by itself does not bring any advantage, since it is possible for the remedy to be worse than the disease. A new tax system should avoid the mistakes and especially the inconveniences of the present system. To this effect, he pointed out that the objectives of a new system should include:

- 1) Facilitating the development of economic activities;
- 2) Permitting the growth of tax revenues to be in tune with the growth of national production;
- 3) Making tax evasion difficult and minimizing the possibilities for administrative corruption;
- 4) Reducing the treasury's costs of administration and checking.

These objectives can only be attained with a tax system which would have the following characteristics, explained the president of the CIEN:

- a. Small tax applications;
- b. Tax applications which permit capital formation;
- c. Total absence of exceptions;
- d. Not seeking immediate increases in the tax burden with the new tax system;
- e. Minimizing discretionary decisions and arbitrary decisions on the part of civil servants.

At the same time, he added, each of the taxes which make up the system should demonstrate that it strictly satisfies four basic requirements: 1) Use of fixed rate; 2) Neutral economic impact; 3) Provisions facilitating self-supervision; 4) Simplicity of payment procedures.

BISHOPS VOICE CONCERN ABOUT PROTESTANT PROSELYTISM

Athletic Programs Exploited

Guatemala City EL IMPARCIAL in Spanish 6 Jul 83 pp 1, 10

/Text/ There are no differences between the government and the Catholic Church on religious grounds, said both members of the Bishops Conference as well as the pastors who attended the meeting between the two parties that took place today at the Presidential House, at the request of president Efraim Rios Montt.

Despite the fact that for several months now there have been attacks both against the Catholic Church and against the government precisely on religious grounds, the members of the Bishops Conference noted that today's meeting was not the end of this conflict, since the problems noted arose as a result of "extreme, fanatic proselytism."

Monsignor Gerardo Flores Reyes, bishop of Las Verapaces, ruled out the possibility that the meeting might put an end to the conflict, since he described it as a dialogue that took place in a framework of "clarity and peace, unrelated to the incidents which occurred previously."

"We certainly are opposed to government sponsorship of Protestant proselytism," said Quezada Toruno.

The government must maintain its secular position, which is characteristic of government, and not use the privileged position of its institutional framework, its personnel or branch offices for the sponsorship of Protestant denominations engaged in religious proselytism, added Monsignor Rodolfo Quezada Toruno, bishop of Zacapa.

The high prelate referred to the case which was reported in his jurisdiction of U.S. organizations presenting a sports club called "The Invaders," which is fine, since they encourage healthy activity.

"Yet these people, who come with the support of government organizations, such as the CDG /Guatemalan Sports League/, as well as of the Departmental Sports Office, abuse the privilege, since after engaging in sports, they urge the children, who are mostly Catholics, to sing Protestant songs."

"It is inadmissible to exploit this occasion to engage in religious propaganda which is fundamentalist in nature," the bishop of Zacapa went on. This is an abuse of power since there is infringement of freedom of conscience," he emphasized.

"If freedom of worship is respected, there will be no problems."

"But if freedom of worship is respected and an end is put to incidents such as the foregoing, there is no reason for any problems to arise between the Catholic Church and the government," Monsignor Quezada Toruno asserted.

"And, in this regard, President Rios Montt showed a wholly positive and tolerant attitude in heeding our complaints and suggestions, added the bishop. We hope that this incident has served to illustrate that freedom of worship must be respected," he emphasized.

We Are Bearers of the People's Opinion

"The position of the Bishops Conference in its presentation to President Rios Montt is basically that of transmitting the opinion of the people to the government," stated Monsignor Jorge Mario del Aguila, secretary of the Bishops Conference.

"Now we transmit to the president the voice of those who could not speak," he stated, describing the economic problems of Guatemalans, basically as was done in the pastoral letter of 22 May of this year."

Bishops Meet With President

Guatemala City DIARIO EL GRAFICO in Spanish 7 Jul 83 p 5

/Text/ It is inadmissible for sports centers to be exploited for fundamentalist religious propaganda, because the children and young people who participate in them are obviously Catholics, replied Monsignor Rodolfo Quezada Toruno, bishop of Zacapa and Chiquimula, elaborating ideas expressed in his Sunday sermon, which was based on this theme which is considered to be of great interest and importance.

This morning the illustrious Catholic prelate noted that an international club, a Christian group from California, United States, which prepares sports events such as basketball, volleyball, swimming, etc., sponsors the clinics.

He thought that in so far as they contribute to the physical wellbeing of children and youth, this was well and good.

But what is not good is for such programs to be used for the purpose of indoctrinating young people in religious matters against their religious convictions.

Then the problem starts to become serious, for such sports centers are backed by the Autonomous Sports League of Guatemala, the technical supervision of the department of education, and the departmental board of sports.

So what is being done is to manipulate sports for religious purposes, and this involves the abuse of power.

This is why his Sunday homily on this subject includes a call to parents not to let their children attend such events.

But he made it clear that as bishop and as a priest he respects the freedom of conscience of others and that this is a problem with this specific group and not with others. What is perturbing is making a sports activity the instrumentality of religious aims, stressed Bishop Quezada Toruno.

12448

CSO: 3248/1068

COFFEE INDUSTRY GREATEST SOURCE OF RURAL EMPLOYMENT

Guatemala City DIARIO EL GRAFICO in Spanish 6 Jul 83 p 4

[Text] The nation's coffee production annually generates at least 115 million quetzals in direct wages to field workers, stated Alfredo Hernandez, vice president of the National Coffee Association.

During an interview on the impact of the coffee industry on the economy of the nation, he pointed out that coffee spreads its influence through the economy and throughout the whole country, which is why each year it generates greater employment for the rural work force.

According to his data, coffee will prove vital to the country by being the greatest supplier of foreign exchange these days. Preliminary calculations indicate that this income could reach about 350 million quetzals in the current year.

This is despite the unfavorable international and internal conditions for the coffee industry, said Hernandez, who noted that even during the critical period which began 3 years ago coffee in Guatemala generated foreign exchange income of 663 million quetzals during the periods 1980-81 and 1981-82. Also, in terms of tax payments, coffee production has been very significant, declared Hernandez, pointing out that in the 1981-82 tax period such payments were on the order of 36 million quetzals, and from October 1982 to June 1983 the contribution has been about 20 million quetzals.

But while its economic effect is of great importance, it is even more important in terms of social benefits, through wages, considering that each year the payments of this nature come to at least 115 million quetzals. He pointed out that in periods more critical than those which have characterized the recent years in the coffee industry hiring had been maintained at not less than 120,000 day's wages per day.

These are just some of the effects, he added, since it is also necessary to take into account the employment in transport, which according to conservative figures comes to some 600,000 quetzals per month, as well as the 50 million quetzals of monetary assets in the banking community and 200 million quetzals in industry and commerce.

9828

CSO: 3248/1039

CREDIT TO APPLE GROWERS COOPERATIVE EXTENDED

Guatemala City PRENSA LIBRE in Spanish 8 Jul 83 p 6

[Text] The National Agricultural Development Bank has granted a credit of 185,000 quetzals to an apple growers cooperative in Chichicastenango for the purpose of increasing and improving production with the object of having sufficient stocks of apples for next Christmas, the minister of agriculture, Leopoldo Sandoval Villeda, said yesterday.

"As will be recalled," he said, "the government prohibited imports of apples and grapes in October, 1982, with the express purpose of stimulating the domestic apple grower, who, with this financial support, will increase his production, and improve quality, packing and conservation."

He added that with this money the cooperative will be able to rent refrigerating equipment and begin to store production; in addition, they will purchase cold storage facilities that will be installed at production sites. These will be installed by the end of August or the beginning of September.

"Besides," he indicated, "this credit will be complemented by pledge bonds for 400,000 quetzals which the National Mortgage Credit institution will grant for marketing purposes. To be more specific, BANDESA will provide financing for renting and purchasing refrigerating equipment, packing materials, and transportation costs, while Mortgage Credit will contribute through the pledge bonds. This will provide a revolving fund which will make constant purchases of apples possible, guaranteed by the production held in cold storage.

The minister also reported that there were 510 producers, in addition to the cooperative, who will be aided even though they do not belong to the cooperative.

9015

CSO: 3248/1062

BRIEFS

PATROLS OF TERRITORIAL WATERS INCREASED--Tapachula, Chiapas, Mexico--Naval authorities of this country have set up a surveillance system on the Guatemalan-Mexican boundary which includes the presence of a submarine and 6 patrol boats operating in boundary waters for the purpose of protecting Mexican sovereignty, according to EL ORBE. Vice Admiral Alvaro Arismendy Garcia, commander of the 16th Naval Region at Puerto Madero, Chiapas, said that 4 Coast Guard boats would be added to the group that is protecting and watching over the 87 square kilometers of inlets along the coast and 92,000 square kilometers of territorial waters, according to the same newspaper. It was stated that the Mexican President, Miguel de la Madrid Hurtado, had expressed his concern over the present conflict in Central America, surveillance system along 303 kilometers of the Pacific coast is being maintained to protect national sovereignty. The naval chief said that during the period of 1 year that he had been in charge of this region 4 Guatemalan fishing boats were captured, and in addition, control was maintained over drug traffic, maritime species, etc. [Text] [Guatemala City PRENSA LIBRE in Spanish 8 Jul 83 p 8]

TRADE MISSION TO TAIWAN--A trade mission of 16 Guatemalans will visit the Republic of China to make use of the credit line granted by the EXIMBANK of that country to the Central Bank of Guatemala to negotiate the purchase of raw materials needed by Guatemalan industry and to study the possibility of transferring technology in connection with the establishment of new industries in Guatemala. The first credit line for \$5 million has been fully utilized, and the second line for the same amount will be granted immediately. Headed by Ronald Dent, president of the Chamber of Commerce of Guatemala, the mission will leave the 13th of this month and will remain in Taipei for approximately 1 week. All businessmen interested in participating in this mission have been invited to make contact with the office of the commercial attache of the Embassy of the Republic of China, Torrecafe Building, 10th Floor, 7th Avenue, I-20, Zone 4, telephones 318705 and 318715, or with Mr. Pedro Yang, president of the Chinese Chamber of Commerce of Guatemala and coordinator of the mission, at telephone number 452020, to arrange participation. [Text] [Guatemala City PRENSA LIBRE in Spanish 8 Jul 83 p 2] 9015

SUGAR HARVEST--"It is very satisfying that the goal set for this year's sugar harvest has been met; it was 12 million quintals of sugar and it came to 11,545,000 quintals," said Leopoldo Sandoval Villeda, minister of agriculture, this morning. "The price of sugar on the free market has practically doubled in recent months," the official said, "which means an increase in foreign exchange revenues this year over last year, since the free market price is between \$10 and \$11 per quintal, and a few months ago it was between \$5 and \$6. This represents some \$45 million in foreign exchange, and there is still sugar for export. This figure, the minister indicated, is almost twice the amount realized at the same date in 1982. On another subject, Sandoval Villeda announced that the National Agricultural Development Bank (BANDESA) yesterday approved a credit of over 400,000 quetzal for an apple growers cooperative in Chichicastenango. "As you will recall," he said, "the government prohibited apple and grape imports last year; therefore, it is necessary to increase incentives for domestic producers, not only for marketing purposes but also for packing and conserving the product. Regarding that, the loan for almost 400,000 quetzals will help rent refrigerating equipment and later enable the cooperatives to acquire cold storage facilities for installation at production sites. 9015 [Test] [Guatemala City DIARIO DE CENTRO AMERICA in Spanish 7 Jul 83 pp 1, 8]

CSO: 3248/1061

PAN LETTER TO PRESIDENT CONDEMNS ELECTION RELATED VIOLENCE

Monterrey EL NORTE in Spanish 1 Jul 83 p 1

[Text] Mexico City, 30 June--Abel Vincencio Tovar, the leader of the National Action Party, in a letter sent to the president of the republic, denounced physical and political violence in five states in the country where elections will be held next Sunday [3 July]. The National Action Party figure pointed out that the municipal authorities of the states about to elect their governing officials, in shameful alliance with the official government party, have been engaged in spreading fear among the voters, in order to prevent them from voting in the elections. The PAN [National Action Party] leader stated: "Recently, you agreed, in your meeting with a committee of our party, that the best way to avoid violence lay in the respect for democratic institutions."

He said that, nevertheless, this does not appear to be the view of many local authorities, including those in the states of Durango and Chihuahua, where, as in the case of the states of Campechi, Michoacan, and Zacatecas, there will be

He declared that these local authorities operate a system of permanent, institutionalized violence and prevent our representatives, to the maximum extent possible, from exercising their rights in ensuring that the people can vote.

The PAN leader denounced specific incidents which had occurred in various states. He said that in Ciudad Juarez it was recognized generally that for many years the PRI [Institutional Revolutionary Party] had been distributing thousands of voter cards to favor their party, regardless of the votes cast by the citizens.

In Chihuahua PRI supporters have used disreputable elements organized in the People's Defense Committee to attack people identified as favoring the PAN.

The police here witnessed these attacks but took no action to stop them, the PAN leader said, under orders from their superiors. The State Electoral Commission revoked its own agreement to admit an additional party representative in the polling booths and arbitrarily reduced the number of general representatives at the polling places.

In Sahuaya, Michoacan, a PAN candidate was seriously injured when he was deliberately hit by the automobile of a drunken PRI supporter, whom the authorities are protecting.

In Durango the decision of the municipal electoral commission, requiring candidates to authenticate electoral returns with their own signatures, was cancelled.

There also was a campaign of telephonic intimidation of PAN candidates and leaders has been unleashed. Houses are daubed with signs, electoral leaflets are being destroyed, and opposition leaders are being insulted, with the participation of PRI supporters and to the satisfaction of the authorities, who do nothing to prevent these actions, according to Vincencio.

The PAN leader mentioned the incident that occurred in Ciudad Camargo, where, at the final meeting of the PAN campaign, a group of PRI supporters opened fire, killing three people and wounding two others.

5170

CSO: 3248/1083

CHIAPAS GOVERNOR DISCUSSES STATE PROBLEMS, POLICIES

Mexico City EXCELSIOR in Spanish 4, 5, 6 Jul 83

[Part I: 4 Jul 83 pp 1, 10, 33]

[Text] Tuxtla Gutierrez, Chiapas, 3 July--With regard to the battle against corruption and the moral renewal of the society proclaimed by the present regime, the state governor, Gen Absalon Castellanos Dominguez, commented: "The Mexican Army maintains a position of unlimited support for President Miguel de la Madrid, because we know that his decisions are based upon the interests of the entire nation."

He was asked: "Then is the Army the government's insurance in Mexico?"

"The Army is, above all, institutional and constitutionalist, and it has demonstrated this fully throughout its entire history, starting with the establishment of the present Mexican state, wherein it has carried out its fundamental mission of guaranteeing the nation's internal order and defense, as the Constitution stipulates; and this has become necessary. To us, the supreme commander is and always will be the president of the republic."

Castellanos Dominguez (a discreet defender of Belisario Dominguez), a prestigious member of the military with a 43-year career in the Army, wherein he traversed the entire chain of command from sergeant to division level, and a staff graduate, assumed the post of governor of Chiapas 6 months ago. From December to July, he has been devising the basic positions of his government.

He was asked: "Does your status as a military man necessarily mean that your administration will have a 'hard' line?"

General Castellanos smiles, fixes his gaze on the floor and thinks for a moment before answering: "They always ask me this, and my answer has always been the same: no. That is a totally erroneous notion. I am a citizen first and foremost; I appreciate the freedom and democracy that the revolution left us. The Army is primarily a servant of the people and, on that basis, I could by no means be a militarist; but am, rather, primarily an antimilitarist."

Solution Is To Hold Dialog

"When we came to power last December, we encountered a series of grave political problems created under previous administrations. Later, these problems caused

various conflicts. We have sought solutions for all of them with one fundamental method: dialog; and one basis: reason, with law and justice. I am very scrupulous about this."

A classmate of the present defense secretary, Gen Juan Arevalo Gardoqui, at the age of 66 Governor Castellanos Dominguez retains a distant youthful appearance, with a lean body and the martial tone of one who has been engaged in commanding. But his face with well-defined features, marked by time, and his reflective air and soft voice restore equanimity. He listens attentively, and always considers his answer for a moment.

He declares: "To put it clearly, my status as a military man (that alone) gives me greater obligations. It commits me more to the citizens of Chiapas, who brought me to power by their votes. I feel morally bound not to disappoint the people of Chiapas to the slightest degree, in any respect; despite the fact that I realize that 6 years will not suffice to overcome a lag which, in many instances, dates back centuries. But, during my campaign with a group of young university people, professionals and politicians, we devised a plan with clearcut goals, which must indicate a course of action without any chance of deviation."

General Castellanos speaks enthusiastically about his political campaign which coincided in many respects with that of Miguel de la Madrid for the presidency of the republic. "We tried to make the campaign as extensive as possible. In addition to visiting each of the 108 municipal capitals, we always attempted to reach three or four more municipalities. This enabled us to hold a real, thorough dialog with the people.

"This was important, because Chiapas has a wide variety of towns and regions with problems that are diametrically opposed. On the other hand, the general tone of the campaign was that of austerity. In particular, we avoided banquets and heavy dining, rallies on a large scale and entourages. We made an effort to hear and attentively analyze each problem mentioned to us, regardless of how insignificant it might seem.

"When people began to notice this: that time was not begrudged them, and that everyone was given a hearing, they began to take the initiative and bring up problems to us in an increasingly direct manner. Thus, the campaign had great dynamics."

Castellanos Dominguez speaks stiffly in his chair, leaning forward, and does not avoid the gaze of his interlocutor. He is wearing a plain gray suit, and worn laced shoes which are, however, meticulously shined. He talked to the correspondent for 90 minutes in his office at the Government Palace, with one witness: Manuel Salinas, his private secretary. During the conversation, accompanied by battle songs from a record-player installed at full volume on the main square, under the governor's balcony, by the teachers from the local technological school who have been on strike for 90 days for salary demands, he wanted to stress one point:

"Tell me, would a 'hard line' government, as they persist in describing us, allow this? Would an inflexible governor, as many depict me, put up with constant protest and shouting under his own window?" And he smiles while gesturing to call attention to the sound of an agrarian ballad coming through the window.

The reporter inquired: "And what impressed you most of all you saw during your election tour?"

Rich Very Rich, Poor Very Poor

"One thing. The great class differences evident in Chiapas. We have no middle class. There are the rich, who are very rich, and the poor, who are extremely poor. This not only impressed me, but it grieved me deeply."

He was asked: "What is the fundamental premise of your government?"

"Very simple: communication. During the tour I met with the age-old problems besetting us: political bossism, alienation, lack of education and public health, meager productivity, the poverty of the Indians and peasants and irrational use of our resources; all stemming from a single cause: lack of communication. And, yes, we need highways; we need access roads; we need roads for removing the agricultural products from each region, at fair prices; we need routes for providing them with water, electric light, education, health and employment. Therefore, the fundamental goal of my government will be communications facilities.

"I don't think that this has been very well understood; but I would have to say that Chiapas has suffered a chronic shortage of resources for establishing an infrastructure. Ninety percent of the public investment in the state is federal, and this has caused us problems of slowness and bureaucratism due to centralization. On the other hand, we have features here involving irregular topography and rural dispersion, which have relegated the sociocultural and economic situation to very low levels.

"For example, the greatest obstacle is the lack of highways. To connect us with the rest of the country we have only two routes which cross horizontally: the Pan-American and the Coastal; but since the two cross the isthmus region, every rainstorm brings floods and leaves us isolated from the country. The air communication relies solely on the Tuxtla airport which, owing to its location, must cancel a large number of flights during the winter months, because it is covered by a thick fog which makes it dangerous. And the sea communications depend on a port the access channel of which is blocked up, and it has incomplete facilities.

"So, out of 108 municipalities, a third, 31 of them, are permanently lacking in communications during the rainy season. Of the rest, only the largest municipal capitals have highways; with all that this implies."

[Part II: 5 Jul 83 pp 1, 14]

[Text] Tuxtla Gutierrez, Chiapas, 4 July--Governor Absalon Castellanos Dominguez claims that Chiapas has proven to be the land of paradox: It is one of the country's three main food suppliers, with a production which amounted to 65 million pesos' worth in 1982; but it is also one of the three states whose prosperity levels are marked by poverty, malnutrition and hunger.

It is the first-ranking coffee producing state, and the one producing the largest amount of corn; but it also holds first place in the entire nation for illiteracy.

It ranks second as a cacao and banana producer, but it also holds second place in the statistics as the site with the highest death rate caused by infectious and parasitic diseases.

Chiapas is the leading producer of electric power in the country, with the Chicoasen, Malpaso and La Angostura hydroelectric powerplants, which produce nearly 50 percent of the national supply; but only 39 percent of the population here has this service. The Reforma and Cactus area ranks fourth in oil and natural gas production, but the state has the lowest percentage of housing with running water, sewerage and services; and this is the state with the least coverage for medical and treatment services in the entire country.

With a smile in which both pleasure and pain may be discerned, Governor Castellanos Dominguez remarks: "It may be said that the treasure lies above and below this state, which is one of the country's most cherished riches."

There Is No Shortage of Resources Here

He says: "We have attempted to include all this in the 1982-88 government program. The fundamental goal of the latter is precisely to correct these paradoxes and to devise an economic strategy that will make a more balanced and just social development both possible and viable. We in Chiapas have the wherewithall to accomplish it, because, fortunately, what we suffer least is a shortage of resources."

With an air of satisfaction, Governor Castellanos takes a small stack of cards that he has brought to the small desk made of precious wood from the region, facing which the interview is being held: "Look, I'll tell you something: This year, the state's agricultural-livestock production will exceed all that accrued in previous cycles in both volume and prices. Production has been our greatest endeavor. Listen: This year, we shall plant 700,000 hectares of corn in Chiapas, which will give us a harvest of 1.5 million tons; and if nothing else happens, this will be the fourth consecutive year that Chiapas has won the 'gold ear' as the leading corn producer in the nation. We have planted 80,000 hectares with beans, which will give us 54,000 tons; there are 8,000 hectares planted with rice, which will produce 22,000 tons; and we have planted 22,000 hectares with soybeans, which will produce 50,000 tons.

"We shall continue to be the leading coffee producing state, with 166,000 hectares, which will yield nearly 2 million quintales of first-grade beans for export; and remember that coffee is the leading agricultural product for export, ranking second in Mexico after oil. We have planted 23,600 hectares with cacao, which will produce 9,000 tons; there are 11,000 hectares planted with bananas, which will yield 373,000 tons; and in the case of great mullein, the production of which is essential for the pharmaceutical industry producing steroids, we shall produce 70 tons, valued at 25 million pesos.

Livestock, Precious Woods, In Short...

"In addition to this, the livestock potential of the state which, last year, had a production valued at 21 billion pesos, is 417,000 head of ovine and caprine livestock, 826,000 head of porcine livestock, and 14,000 units of poultry. The

forest potential, consisting basically of precious woods, cedar, mahogany and pine, had a yield worth 1.4 billion pesos in 1982."

Governor Castellanos Dominguez asserts: "The abundance of resources in Chiapas is evident. Hence, we are faced with a real challenge to our skill and organized effort that will make it possible to give the entire population higher levels of prosperity to which we are entitled, for we too are Mexicans."

Then he stresses: "But production could be even greater if we decide to accept this challenge. I believe that now, with the backing of President Miguel de la Madrid's government, we have the means for accomplishing this through the Chiapas Plan, which offers us a large volume of resources and investments in all areas, and which will be the definitive leverage for integrating Chiapas into the national development process."

And, as if he were doing it years ago, in his capacity as director of the Military Academy, General Castellanos Dominguez explains the features of his state: "We are a preponderantly rural state. The last census showed a total of 2.9612 million inhabitants, 66 percent of whom, or 1.386603 million, are dispersed in 7,786 settlements the density of which does not exceed 2,500 persons. And, furthermore, 6,500 of them have no more than 500 residents. In other words, our rural population occupies over 80 percent of the state's territorial area.

"Of our economically active population of 741,457 persons, 70 percent, or 553,311, work in the rural environment, in the agricultural, livestock raising, forestry and fishing subsectors, wherein the preeminent status belongs to agriculture and livestock raising which, combined, absorb 65 percent of our economically active population.

"This group of workers consists of small property holders who have fewer than 5 hectares, as communal farmers, national common land holders or landless day laborers; or those whose holdings are so small and unproductive that they do not suffice even to support them; or groups of Indian workers who are "squatters," occupying the shells of former ranches still in existence. To us as a government they represent the indisputable priority, because they are people without resources, who were born and lived their entire lives in those areas; and now, with the change that the settlements have undergone, the only ones who benefited were the owners, who were given compensation. But the squatters are faced with the problem of abandonment, since they have lost not only land but housing; and hence they represent the indisputable priority for the government."

In his conversation, General Castellanos Dominguez uses chiefly technical language, underscored by data, statistics and details which at times are boring. He remarks: "I am scrupulous about this." He speaks of the problems facing his state's production, and recounts them from memory.

Insufficient Communication

"Our geographical location and insufficient communication with the rest of the country have caused a definite disadvantage for marketing our agricultural and livestock products in the large national consumer centers.

"In addition, the lack of infrastructure for the storage, preservation and processing of products results in a higher cost for food; because the products have to be exported at harvest times, and in many instances imported the rest of the year. For example, we produce a considerable amount of beans, and during harvest times they must be sold at ridiculous prices; but by the winter or the year's end, we often have to go as far as La Merced or Guadalajara, where there are large hoarding centers, to purchase them.

"This, combined with the insufficient road system, the disorganization, the lack of training for the peasants, and the dreadful, excessive middle-man system, through which most of the region's agricultural products are exported, and the input for production and other goods for human consumption are imported, has had negative repercussions on the purchasing power of the rural inhabitants and on their capacity to generate surpluses on which to capitalize. And this seriously hampers the modernization of the agricultural and livestock activities."

[Part III: 6 Jul 83 pp 1, 13, 19]

[Text] Tuxtla Gutierrez, Chiapas, 5 July--Governor Absalon Castellanos Dominguez shuts his eyes and rubs his chin. "We lack a great deal, a very great deal; merely quantifying it seems an impossible task. Forty percent of our municipalities lack urban development; 85 percent of the municipal capitals do not have paved streets; 71 percent lack slaughterhouses and markets; 75 percent lack drinking water facilities. When one tours these areas, one even thinks that time has stood still there."

He continues: "Chiapas' problems are many and very difficult. Many of them, since they have become age-old, have turned into critical ones. Those which have just cropped up appear virulent. Both are thwarting growth and warping our development. If we neglect all of them combined, they will jeopardize our stability. But my government will not allow that to happen."

He gives notice: "And this is not a 'hard' line. Since I assumed the governorship of the state, I have made a profession of being antimilitarist, and my exclusive commitment has been to fulfill and to see to the fulfillment of the constitutional mandates." General Castellanos' tone becomes serious when he slowly adds:

"I am the government's representative in the state, but I am not the government: Here in Chiapas the government belongs to everyone, everyone who has something to say, everyone who has something to do, everyone who has a desire for this land, for Chiapas."

He is asked: "But they have political problems here. Several town halls are in the hands of the opposition. Is this a disagreement with the government?"

"We are seeking unity in plurality. I think that democratic government results from a desire, but also from the disagreement of the voters, and is nurtured by constant interaction among those who do not have the same beliefs, although they are pursuing the same thing. We shall certainly strive to obtain the greatest consensus, so as to preserve the moral authority of the regime and to strengthen its political solvency."

Recognizing the Opposition's Victories

"That is why I see nothing bad about recognizing the opposition's victories, when it really has won them. For example, we had the instances of the mayors' offices in Zinacatan and Arriaga. But not only that; our local legislature has among its members all the major political movements in the state: the parties that the people like, which are there. So, in addition to our Institutional Revolutionary Party, we have representatives from National Action, the Authentic Party of the Revolution and the Socialist Workers Party.

"Now how have we begun to govern? Well, by establishing the priorities in a government plan based on the proposals obtained in the consultation of the people made during my election campaign, and with the opinions and views of Chiapans who are experts in various fields. Seven of our municipalities are virtually incommunicado all year; 23 are totally isolated during the rainy season; and 22 have communications only through earth fill roads in poor condition.

"To equalize the highway system, we shall have to multiply our kilometers of highways by five; we now have 100 meters of highway per square kilometer of area, a figure 20 percent lower than the national average, and 500 percent lower than that of the central states. Furthermore, our road system is totally disconnected

"To become physically integrated into the state and to end the isolation that breeds regionalism detrimental to the state, will be one of the tasks of my government.

"Nevertheless, what we have undertaken immediately, together with the communications plan, is part of the program aimed at improving the distribution of income, with the priority of doing so in the rural areas, which are the ones most hurt."

General Castellanos takes the statistics to explain the situation of the peasants in Chiapas: Of the 359,179 persons engaged in work in the rural areas, 198,106 are communal farmers, common land holders and small producers owning land; 37,800 are full-time workers; 15,910 are part-time workers and 107,000 are family members who work marginally.

"Of this economically active population, only 47 percent, or 168,910, have full-time employment; 51 percent, or 183,393, are underemployed; and 2 percent, or 6,866, lack employment."

The reporter interrupts: "And what about land occupancy?"

The Agrarian Problem, a Serious Social Risk

Again, Governor Castellanos thinks before answering: "We have an atmosphere of insecurity here with regard to land occupancy, which represents a serious risk to the state's social peace. From 1915 to date, 4.17865 million hectares have been distributed among 1,597 communal lands and communities. A total of 2,020 presidential resolutions have been signed and executed for this purpose.

"Nevertheless, such age-old problems as demographic growth, the serious lack of communications (again), persistent social disintegration, the extensive ethnic and social mosaic and anachronistic systems of control have brought about an increasing demand for land and a lag in the execution of the agrarian reform process. For example, we now have 1,430 records in the process of being handled, a figure nearly equal to the number resolved in over 65 years; and we have 20,477 peasants with safe rights; in other words, people whose right to the land has already been recognized, but to whom we have not given it.

"The small properties, that is, private agriculture, consist of 9.09644 million hectares, and are held by 30,830 persons. It is important to note that 33 percent of them own properties consisting of fewer than 5 hectares; 110,375 hectares are tilled by 2,500 settlers; and the rest is urban property.

"During the past 2 decades, the pressure on the land has become complicated, chiefly because of the execution and operation of the large hydroelectric dams, and because of the problems involving utilization and development of oilfields. For the dams alone, the communal farmers and small landholders have given up 200,000 hectares of land; and there are many claims on PEMEX [Mexican Petroleum] for payment of the legal compensation.

"On the other hand, an erroneous and slow policy filled with bureaucratism, in the resettlement of the peasants displaced for the construction of those projects, both by PEMEX and the Federal Electricity Commission, has caused a large number of peasants to change their activity, seeking new land on their own for production, and exerting pressure on the agrarian structure.

"Now, however, we have great advantages and a desire to work as well. Hence, our government's strategy in the area of agricultural-livestock production has been to seek in Chiapas a self-sufficient, exporting state; to improve the peasants' living standards; to make rational, intensive use of the land; and to improve the living and working conditions of our peasants.

"Our goals are: To extend the cultivated area to 802,000 hectares (100,000 more than at present); to bring under irrigation 600,000 hectares on the coast, the central depression and Valle de Tulija; to increase the cacao yield, with suitable technology, from 340 to 1,000 kilograms per hectare; to switch to an intensive livestock raising system; to achieve national self-sufficiency in forage throughout the year; and to avoid emigration from the rural to the urban areas.

SILVA-HERZOG SEES FINANCING DEVELOPMENT AS BASIC PROBLEM

Mexico City EXCELSIOR in Spanish 22 June 83 pp 1, 13, 31

[Article by J. Jesus Rangel M.]

[Text] Jesus Siva Herzog, secretary of Finance and Public Credit, said yesterday that the country's basic problem in the short term is the shortage of funds to finance development, above all, "because of the restriction of foreign credit," and that for the same reason "attracting more credit and putting it to better use should be the formula for healthy financing of regional development, contributing to the decentralization of national life."

He stressed that the country's finance system has the technical ability to find solutions and the necessary flexibility to adapt their structures and instruments to the demands of the country, and declared that the national bank and the development trusts have "the decisiveness and the irresistible will to encourage the regional and general development of the country."

The official spoke during the meeting organized by the National Works and Public Services Bank [BANOBRAS], at which plans for financing and supporting expansion of the development funds it administers were announced.

Enrique Creel de la Barra, BANOBRAS general director, reported that the budget for those funds and of the bank itself for handling the country's government and municipal programs, is 35.194 billion pesos this year, and under the country's present austerity, the door is open to simulate the construction industry with a gradual injection of funds.

Silva Herzog reported that in 1983, the federal organizations and the municipalities received about 450 billion pesos in investments over federal taxes, 80 percent more than they received in 1982. "The decentralization of national life is a requirement in order to perfect the process of democratization and integration of the country."

Speaking to the representatives of Nuevo Leon, Alfonso Martinez Dominguez; of Colima, Criselda Alvarez; and of Hidalgo, Guillermo Rossell; the head of Human Settlements and Public Works, Marcelo Javelly; and undersecretaries of several offices, the secretary of finance and public credit noted, "From the economic point of view, decentralization means equitable geographic redistribution of development opportunities."

Strengthening Local Finances

He indicated that BANOBRAS, "the bank of federalism," intends to strengthen local finances by granting credit, under preferential conditions, for works that contribute to the infrastructure and services demanded by regional development.

This will help solve the problems of human settlements and urban infrastructure projects, as well as encourage priority zones for industrial, tourist, and port development.

He indicated that in the face of the problem of scanty funds to finance development, "it is necessary to create imaginative formulas to increase domestic attraction of funds, and rational plans that permit effective use of them."

Silva Herzog said that within the framework of the National Development Plan, the national bank and its development trusts have a very important role to play in the financing program, particularly with relation to regional development, which the Plan gives great importance.

He said, "There are the basic outlines, the plan of action and the goals, and what is most important, the decisiveness, the irresistible will to reach them. BANOBRAS and its development funds have an opportunity and an obligation: to contribute to the nation's recovery, integrating its sectors and regions into a single economic and social geography."

Creel de la Barra noted that within the social demands expressed in the National Development Plan, and within the outlines established in the National Development Financing Program, BANOBRAS must set itself a new strategy to overcome scattered actions.

He added that the problems that permit greatest utilization of their own resources have been ranked, and that in the sole development agreements that may be established between the federal government and the governors of the states, the bank will have a permanent presence in the province's development.

He said that the four trusts established in BANOBRAS will invest 1983 million pesos this year, which, added to the 12,008 billion pesos the institution itself has to handle state and municipal programs, comes to a total of 35,194 billion pesos.

Creel de la Barra commented that the general picture of the country's situation last year includes the exhaustion of foreign funds for bank financing, and a budget shrinkage that caused a negative phase-out among project timetables and financing of programs already begun.

He commented that in order to overcome the situation a plan was established, in coordination with the states of Baja California Norte, Guerrero, Oaxaca, Puebla, and Zacatecas, among others, to release funds to conclude projects and finish works in progress within strictly institutional guidelines.

He referred to the urban infrastructure program in the petroleum corridor-- which represents an investment of 40,033 billion pesos which will be completed in 1986--which encompasses communities in Veracruz, Tabasco, Chiapas, and Oaxaca, and noted that this course may be taken in other parts of the country, within an integral plan that includes urban infrastructure projects.

8587

CSO: 3248/1030

INDUSTRIAL WAGES INCREASE NO MORE THAN 25 PERCENT

Mexico City EXCELSIOR in Spanish 16 Jun 83 pp 1, 10, 31

[Article by Humberto Aranda]

[Text] Mexican Petroleum granted its workers an emergency wage increase of 15.3 percent; an end to the strikes in the paper and cardboard industry was begun; and the conflicts in the 114 movie theaters still closed have reached an end, as well as those in the cement industry.

The increases did not exceed 25 percent in any case, down from the 50 percent originally demanded from the companies by the unions.

Many strikes were avoided yesterday through extensions and waivers. In the case of National Bonded Warehouses, which was to be struck yesterday at 5 pm, the Lightermen's Union postponed the action until tomorrow at the same time. This company manages 70 large warehouses holding the grain reserves of the National Company for Basic Commodities [CONASUPO].

The return to operations in the movie theaters in the Federal District and in several paper mills was achieved through increases of 18 percent. Benefits to the paper workers will be retroactive to 1 June.

Paper mills taking down the red and black flags yesterday included Kimberly-Clark of Mexico, San Cristobal Products, Sancela, Michoacan Paper and Cellulose, San Rafael Paper Manufacturers and Associates, Chihuahua Cellulose, Morela Paper Company, Bipamex, Ponderosa Paper, and San Pablo Modern Packaging.

The 300 strikes against mining and metallurgical companies by that union have begun to be resolved in good time, with 15 percent increases retroactive to 1 June. The problem is expected to be resolved by 20 June.

The companies relieved of strikes in this area include the National Railcar Building Company, Laminated Steel, Federal District Television, Majestic Electronics, and the San Acacio, San Martin, Deltra, Natividad and Associates, and Concepcion Carmen and Associates mines.

With 18 percent salary increases, strikes were ended in the cement industry affecting Anahuac Cement S.A., Gulf Anahuac Cement, and Canteras Exploiting.

Agreements in Other Areas

The secretary of labor, announcing that the bulk of labor problems are beginning to disappear, indicated that yesterday agreements were reached in the areas of gas distribution, with a 10 percent increase; construction, with 15 percent; and maritime transportation, with 15 percent. Workers in storage battery factories received 24 percent.

The 2,650 workers in Ramos Arizipe General Motors plant ended their strike yesterday with an increase of 70 pesos a day per worker.

A strike vote against Pan American Sulfur Works was resolved with a 20 percent increase.

Progress of SUTIN

The Sole Trade Union of Nuclear Industry Workers, reporting that it has been on strike since last 30 May demanding an emergency increase, announced today that it will hold a demonstration in front of the Paragovernmental Secretariat of Energy, Mines, and Industry, demanding a solution to their problems. The meeting will be held at 1200 hours.

The Majority, Resolved

Arsenio Farell Cubillas, secretary of labor, said yesterday that the majority of strike calls were resolved, but agreements to end them in other large industries and institutions like the Metropolitan Autonomous University [UAM] and the National Autonomous University of Mexico [UNAM] have yet to be reached.

However he stated that there is confidence that union conflicts will be settled within the next few days.

Farell Cubillas said that the country needs all its workers in order to increase our productivity, and we are making efforts to overcome economic conditions.

Regarding the end to the strike in the movie theaters, the official said that both sides made a good effort to work together to solve their economic problems.

With regard to the problem at the UNAM and UAM, Arsenio Farell indicated that there has been no offer to settle the conflict up to the present time, but there may be one at any moment. "We only hope that the members of the Trade Union of the National Autonomous University of Mexico and the House of Studies will begin talks to reconcile the situation," he said.

At 2215 hours last night, unemployed doctors ended their hunger strike, which they began 8 days ago outside the Metropolitan Cathedral demanding jobs in the health sector.

A committee of the doctors, headed by Dr Alfredo Campos Rangel, of the public relations department of the National Union of Resident Physicians, indicated that they accepted the offers from the authorities of the secretariat of Health and Welfare and would abandon their stand and seek legal and humane channels.

The physicians said that at the time indicated they went to their homes and ended their hunger strike. They were immediately examined by other doctors, and they announced that at noon today they signed the agreement reached with the office of Health and Welfare.

Among the main points of the agreement is the granting of 160 jobs in hospital centers for the unemployed doctors, and attempts would be made to find work for the remaining doctors who need it in the interior of the country.

8587

CSO: 3248/1030

OFFICIAL COMMENTS ON SALES OF GOVERNMENT INDUSTRIES

Mexico City EXCELSIOR in Spanish 27 Jun 83 pp 1, 22, 23

[Interview with Mario Barreiro, under secretary of parastatal manufacturing by Jose Cabrera Parra date and place not specified]

[Excerpts] Mario Barreiro, under secretary of parastatal manufacturing industry, states that: "The financial performance of the companies involved is not a basic element in deciding whether the state will sell them.: He pointed out that national priorities stand above them and said that even "if a company is making money but does not fit in with those national priorities, it could eventually be sold."

The official of the Ministry of Energy, Mines, and Parastatal Industry also pointed out that there are laws which permit the state to authorize total foreign ownership of companies in certain industries, such as automobile manufacturing. This is the case with Renault and VAM [Mexican Automotive Vehicles Company], which were acquired by the French company, Renault. It will own all the shares--under conditions determined by the state itself.

In an exclusive interview with EXCELSIOR Mario Barreiro reviewed the question of the sale of the parastatal companies, which had been decided on by the government. He recalled that recently various opinions had been expressed "which was only to be expected. These opinions were based on insufficient information and tend to confuse public opinion." Nevertheless, he pointed out that some of these opinions could be called dogmatic and immature and "go so far as to state in a completely irresponsible way that the sale of a company reflects an attitude of the administration equivalent to selling out the country. However, the country, the Mexican nation, is rather more than a company producing automobiles." Following the text of the interview.

[Question] There is an impression in public opinion that the government, in its eagerness to lift the country out of economic collapse, has taken actions which seem to reflect improvisation or undue haste. This is the view sometimes taken of the shares which the government held in the Renault and VAM companies. Is that true?

[Answer] Of course not. It is important to point out in all clarity that the standard of a mixed economy, as defined in the constitution, and the role which the constitution gives the state as overseer of economic development, clearly defines the participation of the state in domestic industry. Article 25 of the constitution provides that: "the public sector will have in its exclusive care the strategic areas defined by this constitution." It adds that: "at the same time the state can take action by itself or with group and private sectors to stimulate and organize priority development areas."

[Question] Opinions have been expressed in relation to a point which you mention, that is, foreign investment. What law approves the existence of completely foreign-owned investment projects? Isn't this a way of losing our independence or damaging the economic supremacy of the state?

[Answer] Look, in the Law on the Encouragement of Mexican Investment and Regulating Foreign Investment, passed in March, 1973, and which establishes the percentages of Mexican and foreign investment, criteria are laid down to determine the appropriateness of authorizing foreign investment and setting out the percentages and conditions under which such investment will be controlled. Furthermore, the 1977 decree on the automobile industry foresees the possibility of a totally foreign investment in the final stages of assembly. The operation to dispose of the shares in the two companies which we have been talking about is fully in accordance with the criteria established by law.

In reply to the second part of your question, it should be stated that in no way can the actions taken by the federal government even insinuate any impairment of our independence or damage the economic supremacy which the state has achieved throughout our history. There is no possibility of damaging our national independence because the constitution specifies the supremacy of the state in priority areas and assigns to it an exclusive role in the development of strategic activity.

[Question] Nevertheless, public opinion is asking why, apart from what the law provides, the people were not consulted in the course of carrying out the sale of VAM and Renault.

[Answer] You will recall that in the course of President De la Madrid's election campaign there was broad contact with the people to define the country's development strategy. From this contact with the people came the National Development Plan, a document in which the government's actions are supported. The plan therefore enjoys the support of a popular consensus. The sale of VAM and Renault was within the framework of this strategy.

[Question] In the case of VAM and Renault it is said that this was an unfortunate decision and was not of any benefit to Mexico. How did this operation work out?

[Answer] In no sense was this an unfortunate transaction. These companies were sold to a foreign investor because there were no Mexican investors who were interested in the transaction. Furthermore, it was essential, due to conditions in the international and domestic automobile market, that VAM be provided with competitive technology, since its American technological partner had abandoned the production of automobiles. This left VAM without any product to sell on the Mexican market.

In the choice of a foreign technological partner the following basic elements were considered: maintaining industrial activity and therefore employment in the plant; ensuring the availability of spare parts for the stock of automobiles which VAM had sold; making use of VAM's network of distributors which, parenthetically, is one of the best in the country; and ensuring the application of the laws and regulations which the Ministry of Commerce and Industrial Development enforces with regard to the automobile industry, and especially the commitments in terms of exports.

[Question] Is this an isolated action? What will the next steps be in terms of policy on parastatal companies?

[Answer] The strategy is transparently clear. It presupposes a redirection of state activity in industry and is based on an organic restructuring of the system of parastatal industry. The financial performance of the companies concerned is not a basic element in the decision as to whether the state will sell its interest in them. The fundamental criterion is whether the companies fit in with the development priorities previously mentioned. Obviously, the federal government is not going to abandon non-priority industries in an irresponsible way. It is committed to maintaining our productive plant and employment. Therefore, it will attempt the sale of these non-priority companies or their transfer to another manager before considering the closing of any source of employment. In this sense transfer or sale will be arranged to state or municipal governments, private investors--Mexican, as a matter of priority--or the social sector.

The sale of VAM and Renault is not an isolated act. It scrupulously reflects the strategy set out in the National Development Plan, which should be considered within this complete context and which, in accordance with what I have said, is not the result of some absurd decision to eliminate government participation in industry totally, or to sell out the country, as some irresponsible people have stated.

The change will be structural in nature and will embrace, as a matter of priority, the reorientation of the industrial plant with several clear purposes in mind: expanding the supply of goods and services which the majority of the people need; strengthening the internal integration of the productive apparatus; and linking it efficiently with the external market. As far as goods and services are concerned, the following are defined as priority areas in the strategy of industrial development: food, medicine, materials for housing construction, household equipment and appliances, clothing, shoes, and mass transportation equipment. Finally, in order to consolidate an industrial sector which is domestically integrated and competitive with the outside world, a 5th criterion has been added: "making efficient use of direct government participation in strategic and priority areas, in order to reorient and strengthen domestic industry."

The country, and especially the federal government, must apply rigorously the strategies contained in the National Development Plan in order to overcome the present crisis and introduce the structural changes which the nation requires.

The consequential relationship between intentions and actions--the case of VAM and Renault is an example--is absolutely essential. The federal government is committed to be consistent in what it says and does.

[Question] And in terms of industry as a whole?

[Answer] Parastatal industrial policy will be revised, based on two criteria: first, consolidating and strengthening the strategic industries which the constitution has assigned exclusively to the state; secondly, the parastatal industrial sector will be reoriented by strengthening priority areas, eliminating those companies where state participation is not justified in terms of the strategy set out in the National Development Plan.

In the chapter on industrial development and foreign trade in the National Development Plan, in addition to the capital equipment industry, the intermediate equipment industry is also identified as a priority area. Intermediate equipment involves consumption goods that are widely used and which are a critical contribution to the integration of production lines and processes. Included under this heading are the paper and cellulose sectors, chemicals used in the production of food, medicines, clothing and shoes, housing and transportation, petrochemicals, steel manufacturing and basic metallurgy. These are keys to economic development because of the relationship they have to the rest of the branches of production.

[Question] Does this mean that company reorientation and sale will continue, despite everything?

[Answer] To give you a clear idea of what the Ministry of Energy, Mines, and Parastatal Industry is doing, I might say that the companies in the parastatal sector are being reviewed in terms of the strategy previously described, and this process will continue. Other companies have been identified in which the state should dispose of its share. For example, I might mention that conversations have begun with a parastatal enterprise for the transfer of some companies. When this work has been completed and each of them has been identified and the necessary authorizations have been received, this will be made public. In cases where it is considered suitable to sell them to private investors, bidding will be opened to the public so that all interested groups will have an option to buy them. They will be sold to whoever offers the best conditions of payment and undertakes, as far as possible, to carry out the objectives which have been set forth in this interview: maintain the national productive plant and protect employment.

5170

CSO: 3248/1083

BRIEFS

MASSACRE DENIED IN CHIAPAS--Chiapas is perfectly calm, "we are all working together toward progress to help the rest of the country and get ahead of the crisis we are going through," stated the state's governor, Absalon Castellanos, who, while commenting on the present situation of the Indians, said: "The Indians' situation is, unfortunately, the same as ever, that is, they are disadvantaged. Our struggle is to improve their condition; to do that we have begun a broad permanent campaign, with the support of the federal government consisting of improving their communication through roads, increasing production, and using that great human potential on work in handicrafts and agroindustry." He was asked about concrete action against those who have massacred Indians, specifically in Chalchihuitan, Monte Libano, and elsewhere, and he replied, "I have no information up to the present time about anyone killing Indians; there is complete calm, I have visited several communities in the jungle and the mountains, we have lived together, and yes, they are truly disadvantaged, but we have learned to understand them as we have made joint plans to improve their situation." [Text] [Mexico City EL DIA in Spanish 17 Jun 83 p 7] 8587

CSO: 3248/1030

STATE COUNCIL MEMBERS DISCUSS ELECTIONS

Bogota EL TIEMPO in Spanish 3 Jul 83 pp 1B, 2B

/Interview with State Council members Rafael Solis, Mauricio Diaz and Luis Sanchez by Hernando Corral, presumably in Bogota; date not specified/

/Text/ In spite of the persistent military offensive on its borders, the Nicaraguan Government is preparing to organize its own electoral contest. With difficulties, of course, like the ones perceived when listening to some worrisome questions left from the talk with Nicaraguan State Council members who recently visited this country to learn our electoral system.

They are responsible for drafting the electoral laws that will define the rules of play for the elections that should be held on an undetermined date in 1985. It is recalled that the Sandinist National Liberation Front /FSLN/ gained power on 19 July 1979 and established a provisional government that ended more than 40 years of Somocist dictatorship.

What type of elections are the Sandinists going to conduct? They still do not know: "We are studying different types and alternatives. One is to elect a president. Another is to elect a constituent assembly that would elect a provisional government or confirm the current government junta." This indefinite position has led some opposition sectors to state that the elections could be limited to a simple ratification or renewal of officials.

With the first government program, approved once the FSLN was in power, the Sandinist triumph awakened expectations of those who believe that it is possible to develop a model of society where political democracy can be combined with economic and social democracy. However, internal and external difficulties seem to restrain such a project. At least that is the feeling one gets when confronted with the different considerations of the Nicaraguan representatives. Let the reader draw his own conclusion. To a certain extent, the interviewer has been the devil's advocate.

The interviewees are: Sub Comdr Rafael Solis, former ambassador to the United States and FSLN representative in the State Council; Mauricio Diaz and Luis Sanchez, members of the State Council representing the Popular Social Christian Party and Nicaraguan Socialist Party, respectively.

/Question/ Will there be elections in Nicaragua, despite everything? Will no circumstance prevent the elections?

/Answer/ We have said that the elections are scheduled for 1985 and that we are going to hold them in spite of the situation currently being experienced. Obviously, we fear, and we have said so frankly, that a state of war would prevent holding the elections. We say this clearly to preclude, in the case of an open war, our being accused later of nonfulfillment.

/Question/ Two Nicaraguan leaders, Adan Fletes and Luis Rivas, of the Christian Democratic and Social Democratic parties, respectively, have asked that the elections be advanced precisely to improve political conditions and to avert the threat of an eventual confrontation. They maintain that the Sandinist government can win and, therefore, it should not be afraid of advancing the elections to create a different climate, favorable to the image that many governments now may have of Nicaragua. Would you be willing to advance the elections.

/Answer/ First of all, it should be understood that Messrs Adan Fletes and Luis Rivas are representatives and leaders of two Nicaraguan parties openly in the opposition. This means that the parties they represent always try to hold positions against those that the revolutionary government is implementing. In this case, the demand that the electoral process be advanced is part of their search for a political initiative they have lost over recent times, precisely because they have been practicing a policy of blind opposition, of dry opposition, in other words, without rational grounds. In any case, we are going to study the initiative of these two gentlemen, which also has been seconded by the higher echelon of Nicaraguan private enterprise. We particularly want to study their justification.

/Question/ What limitations are you proposing to make in the electoral laws? For example, will you recognize opposition organizations such as the Nicaraguan Democratic Front, Eden Pastora's Revolutionary Democratic Action, and the Revolutionary Armed Forces of Nicaragua led by Fernando Chamorro?

/Answer/ We believe that those are not political organizations, that they are military-type organizations involved in open counterrevolution. They have so stated systematically in their communiques, and they always speak of military operations in their statements. It would be a mistake from a viewpoint to try to institutionalize organizations that have placed themselves out of the revolutionary process and whose foundation is made up of former Somoza guardsmen with whom our people still have to settle accounts.

We should make clear that the position assumed by individuals or leaders like Alfonso Robelo, Fernando Chamorro or Eden Pastora, with their respective movements, is in no way based on the fact that elections should or should not be held in Nicaragua. The counterrevolutionary forces have

a very clear, very definite and very specific strategic objective. They are working at the service of the big foreign power of this hemisphere, the United States, which with the policy of the current Reagan Administration wants to convert the Central American region into a support base for U.S. interests. Mr Reagan, based on the contents of the famous Santa Fe Plan, drafted before he assumed the presidency, has clearly declared that his country's borders are wherever there is any economic, political, military or spiritual interest. He also has classified the Caribbean Sea as the fifth U.S. border.

Therefore, it is not the problem of Nicaraguan elections that has motivated these people to take up counterrevolutionary arms and to be under U.S. tutelage and financing. For them, it is a case of regaining power to distribute among themselves the privileges and positions they had enjoyed. In the specific case of Pastora and Alfonso Robelo, they are not seeking a democratic and truly representative government in Nicaragua, based on active participation of the people.

Open Field

/Question/ Not being unaware of current difficulties in Nicaragua, do you not believe that the government has absolute political control, which places opposition parties at a disadvantage, through the Sandinist Defense Committees /CDS/, Revolutionary Vigilantes and Sandinist People's Militias, groups that are quite aggressive if we take into account that they use oral political violence by calling nonsandinists "turncoats, traitors, CIA agents, and so forth."

/Answer/ The CDS exist primarily because the people have been organized to solve the problems that affect them the most and to be vigilant to counterrevolutionary activities undertaken by sectors that have infiltrated the country. The function of the CDS and of other mass organizations has nothing to do with restricting, controlling or eliminating existing political parties in the country.

The CDS' tasks center on production, above all on those related to supply and defense. It is true that at a specific time, especially over the first year and part of the second, the committees provoked conflicts because they wanted to be directly involved in the activity of parties. But this was totally resolved. The FSLN National Directorate even issued a public notice making a clear call for order and respect that these organizations must maintain toward the parties. It was widely disseminated throughout our country.

Regarding participation possibilities of opposition political parties, it should be noted that at this time--even when approval of the law of parties that is going to grant them the legal status of a public law entity has not been completed, and the electoral law still has not been discussed--there is a broad field for free development of currently active opposition or nonopposition political parties.

Of course, this field will open more as the process develops and the political parties law is approved and becomes law of the republic and when the rules of play for the 1985 elections are established. The broadest guarantees will have to be assured.

Now then, the problems of opposition parties in Nicaragua essentially are not due to the fact that the Sandinist Front relies directly on certain associations such as that of women, trade unions, CDS or Revolutionary Vigilance Brigades, whose aim is prevention and control of common crimes in our country. The opposition's problem is that it has very little room to maneuver. There has been a process of revolutionary transformations in Nicaragua and it is being consolidated. It not only is changing the foundations and structures of society, but also the people's awareness. In today's Nicaragua, the thinking is not what it was in Somoza's time. We are totally convinced now that difficulties depend more on imposed external factors--war, pressure, blackmail, blockade, and so forth--than on alleged deficiencies, although these exist. Opponents feel defeated before they go into battle. They know they lack the backing and support of the masses.

So, what is it they would like? Well, that the Sandinist Front and Patriotic Front of the revolution disarm themselves politically and organizationally. But the absolute majority of the people support the revolutionary process and we are going to show, in an absolutely free election, that the Sandinist revolution truly is not something imposed from without and that it has nothing to do with totalitarianism.

Not By Use of Arms

/Question/ The opposition asserts that political parties do not have the option to conduct the least mobilization; they cannot go on the streets; they cannot issue communiques, and all their statements are suppressed by the press censorship imposed by the Sandinist army every day?

/Answer/ Our situation must be taken into account. Nicaragua currently is experiencing an emergency situation caused by the increasingly growing war, launched against our country by former Somoza followers with the complete support of the United States and, to a certain extent, of the current military regime in Honduras.

This situation has cost countless human beings to our country. It has caused us material losses of more than 1 billion cordobas and big losses in infrastructure works. As long as this situation continues in Nicaragua, as would be the case in any country of the world regardless of ideological or political classification and tendency, certain guarantees established in the constitution necessarily must be restricted. A military and economic area must be established around which free dissemination of all sorts of interpretations and rumors that would contribute to the propaganda of counterrevolutionary forces cannot be allowed.

But this should not be viewed as a desire to restrict freedom of speech or to diminish the rights of political parties. It is a defense mechanism that every state is obliged to employ when it feels threatened by forces which by their action and by the use of arms want to overthrow it to impose another order. In all countries, no matter how democratic, uncontrollable political public demonstrations, subject to the spontaneous will of the party or individual that wants to conduct them, are not permitted. It is something that has to be regulated by the appropriate police legislation.

In the electoral law that we are going to discuss and approve, for example, we establish a period of time prior to the elections during which all parties will have absolute rights to conduct open demonstrations and activities to gain political followers. But this will be within a pre-election period, as it is done everywhere.

Meanwhile, they have the right to voice their viewpoints as long as these do not help to unnecessarily feed the war on alarm psychosis of the people or to distort events.

/Question/ Will the Sandinist movement allow a party with an economic and political model different from its own to participate in the elections, and will it be allowed to assume power if it wins?

/Answer/ We have established that all existing parties in Nicaragua have the option to gain power and to the law of parties. What we have clearly pointed out is that the revolutionary process is irreversible and that the revolution cannot turn back. What does this mean? That in the hypothetical case, which we have not considered, that an opposition party gains power and proposes a program designed to revert the gains of the revolution, it would not be permitted. Why do we say this? Because the fundamental transformations made by the revolution in the fields of health, education and agrarian reform are gains felt by our own people. They are principles, so to speak, of our program of government and it would not be possible to turn back under any pretext.

Of course, a political party with a different characteristic that gains power can develop its own program under its own concept and perspective. But we know that the workers, peasants and other sectors that have benefited from the Sandinist transformations would not accept losing the gains obtained thus far. We are flexible regarding the possibility that a party can win political power, but its program cannot go against nationalization of the banks or of natural resources, against industrial enterprises that are the property of the people, against nationalization of exports, against nationalization of mining resources and, and in short, against a number of economic measures that have been taken. We are clear on this,

/Question/ There is other criticism. For instance, the Democratic Coordinator asserts that anti-Somoza military courts have become courts

of justice against the opposition. Every opponent, they say, is given the same treatment as that given Somoza followers, as in the case of "boleros," in other words, the people who spread rumors about the economic situation, food supplies, and so forth. Do you not believe that the anti-Sandinist struggle can turn out to be a good deal for you because it permits you to justify any repressive measure, such as the permanent closure of the newspaper LA PRENSA or not holding elections?

/Answer/ Actually, the opposition makes astonishing statements outside Nicaragua. Aware that the electoral mechanism in Nicaragua does not exist and was destroyed, the opposition insists that elections be held immediately.

The question should be whether the opposition is doing this in good or bad faith, because it is quite difficult to carry out an electoral process in such a short period of time when even the civil registry was totally destroyed in some cities. It is also noteworthy that people come from outside Nicaragua to say that the political action of parties is totally suppressed. This is not true. The Social Christian Party, that is to say the Nicaraguan Christian Democrats, has just held an election of officers; the Social Democratic Party continues to publish a news bulletin distributed widely in Nicaragua; the Independent Liberal Party has just held an international conference of Latin American liberals; the Popular Social Christian Party has just held its second national congress; and the conservatives, which truly are the extreme right in Nicaragua, also have just organized a party national directorate.

Returning to your question, it should be noted that the creation of anti-Somocist people's courts is a necessity because one of the strategies promoted by the counterrevolution in the interior of the country has been to create false news, and to spread rumors through a network of "boleros," at times causing panic and a war psychosis, and seriously harming essential reconstruction activities such as production.

The opposition's assertion that anti-Somocist people's courts are being extended to cover the civilian opposition is exaggerated. The ones currently under orders of people's courts are the counterrevolutionaries captured in military actions, and former Somoza guardsmen who still are under arrest and have not gone to trial. The composition of these courts is quite good, for in addition to representatives of grassroots social organizations, the courts include citizens with some knowledge of law. This helps to enhance institutionalization of the revolution.

9925

CSO: 3248/1049

COLOMBIAN JOURNALIST DESCRIBES FDN COMBATANTS, BATTLES

Bogota EL TIEMPO in Spanish 26, 27, 28 Jun 83

[Article by EL TIEMPO special correspondent German Santamaria]

[26 Jun 83 pp 1-A, 1-C]

[Text] The Highlands of Nicaragua--Amid the darkness of the night the bullets from the Soviet-made AK-46 rifle pierced the sky like beautiful balls of fire, and a 13-year old guerrilla fighter nicknamed "Condorito" momentarily forgot the lurking danger, set aside his rifle and raised his head to watch the lethally dazzling scene.

It was one in the morning. And it was raining. There was still an hour to go in the siege that two battalions of the Sandinist People's Army (some 1,700 men) were engaged in against a base of the Nicaraguan Democratic Force (FDN), which was made up of some 500 men at the bottom of a canyon in the northern Nicaragua highlands.

The teenager's eyes quickly turned away from the bullets that were hurtling through the night like live coals and began crawling amid the fallen leaves and mud towards the hollow from which his 52-year old father Israel and a companion were firing a 60-millimeter mortar. The boy was barely able to make headway along the ground, carrying his Falk rifle, whose bullets can pierce a tree 50 centimeters in diameter.

The brief respite of play had ended for the tiny guerrilla fighter, and he was returning to combat that dark and rainy night, the same night that two Colombian journalists were left stunned as they suddenly entered the lion's den, a confrontation between the Sandinist Army and a regiment of the Armed Forces that are combating the leftwing Managua regime in the north.

"This is not our war, and the important thing is to make it out alive and do good work," this writer had said to the cameraman the day before, as they were just beginning their march along a muddy road, as if climbing along La Linea, through mountains full of long-tailed monkeys, lianas, trees, water and mist. Our goal was to secretly enter Nicaragua through these highlands and find the guerrillas of the Nicaraguan Democratic Force, whom the Sandinists call "Somoquist bandits" and whom President Reagan describes as "heroic freedom-fighters."

As we clambered slowly along the muddy road, we tried to overcome our weariness by turning over this question in our minds: Who are these men, who call themselves guerrillas but claim to be battling communism?

The Song of the Owl

It was still 1 day and 25 kilometers into Nicaragua before we suddenly found ourselves in the midst of the Sandinist Army's attack on the base of the Nicaraguan Democratic Force.

Night was already falling, and the darkness was closing in further in the mountains, where the trees are so tall and densely packed that the sun never penetrates.

Two hours before we had made contact with an FDN scouting detachment. The five men were carrying machine guns and wearing olive-drab outfits. Four of them had thick beards, and all five were wearing chains with several crucifixes around their necks.

Our march continued along the narrow path under the tall trees, where the long-tailed monkeys and parrots were frightened by our caravan. We were in Nicaragua, moving on in the total awareness that at any moment we could fall into an ambush by Sandinist troops.

It was then that this reporter said to the cameraman: "Let's make sure we're always walking alongside these two Gringos, because they're the only assurance that we won't get fired on." I was thinking that since the two American journalists in the caravan were so tall and blond, were carrying so much equipment and, moreover, were from such a powerful country that could touch off a world war at any moment, the Sandinist soldiers would thus think twice about firing. "It'll be a big scandal if they kill two American newsmen, but if they kill one of us, who the hell will even bother to come and remove the body," I reflected.

With these thoughts in mind, trying to imagine beautiful women to forget about our weariness and with the fear of traveling along these secret paths, we trekked on until midnight, lighting lanterns only from time to time. Someone said that we had to spend the night next to a ravine near large rotting tree trunks in a small highland clearing.

The only ceremony was to wrap ourselves in plastic sheets and lie down on the dead leaves. Two men stood guard. It soon began raining. It was about three in the morning and no one was sleeping. We suddenly heard the thunderous noise of a falling tree, and this reporter, the cameraman and the Gringos sprang to our feet, thinking that it was a burst of machine gun fire.

We remained awake, wrapped in the plastic sheets. It was early morning, and the cold and the drizzle chilled the bones. We suddenly heard a metallic cry, like that of a woman being knifed in the back. Tall, blond and short, dark journalists again bolted to their feet, thinking that one of our guards had been bayoneted in the heart.

An instant later we heard the music of an owl taking wing. Our fears had been unfounded. The justifiable ones would come later.

Sudden Encounter

It was about four in the afternoon, after a lengthy trek through the mountains inside Nicaragua, when we suddenly came upon a string of hills and, further on, a number of cleared coffee fields (the peasants had fled).

And there they were, in a clearing in the highland pasture. It was the first outpost, some 100 armed men in uniform and an instructor telling them how to fire a mortar.

"With God and patriotism we will defeat communism," they chanted in unison when they saw our caravan approaching. They looked unmistakably like a guerrilla detachment holed up in the mountains. Nevertheless, in addition to olive-drab, beards, machine guns, rifles and mortars, we came across something that did not fit the stereotyped image of the contemporary guerrilla: God, crucifixes around necks and shouts against communism.

"Aha, these are the contras," this reporter thought, using the term with which the Sandinists refer to the men who have taken up arms against the government and the revolution in the country's northern and central highlands.

"Death to the 'piricuacos,'" they cried, brandishing their weapons. "Piricuacos" is what the "contras" call the Sandinists; it means a pack of rabid dogs.

We took only a brief look, because this was just a training group, and the main camp was some 3 kilometers further on, amid the dense guama trees of a coffee plantation. As we headed towards the camp, this reporter thought that he had seen in the group at least four children under the age of 15, who could hardly manage their weapons.

Fire

It all began after we had been resting for barely a half-hour in the camp barracks.

It was 5:30 in the afternoon. We suddenly heard a dull explosion, as if the boiler in a laundry had blown up. All of the men rushed out of the barracks, and for a moment there was a profound silence. Everyone looked up. The reporters understood nothing.

Then we heard another explosion on the mountainsides that protected the camp, perhaps 1 kilometer from the barracks. This was followed by a shorter period of silence and then the sound of falling trees. A flock of parrots took flight amid loud cries.

"What's going on?" this reporter asked. "A mortar shell," replied commander "03," the nom de guerre of the base commander.

By that time the men had vanished from the barracks yards and taken their combat positions amid the coffee plantations and the stubble. Before I could ask a second question, we heard the unruly chatter of a machine gun, perhaps some 5 kilometers away. "It's an attack on the base. The piricuacos are firing from about 5 kilometers away, and this is going to be a hot one," 03 said, heading off into the coffee field.

This reporter and his cameraman felt terribly alone. This reporter thought that it would no longer do any good to stand beside the Gringos for protection, because mortar shells hit fair-haired people and mestizos alike and, moreover, because the American reporters had left that morning for another base on the other side of the mountains. The only alternative was to run into the coffee field and curl up under a banana tree.

Five minutes later another explosion erupted. It sounded as if the boilers at the laundry in a large hospital had blown up. Then came another blast amid the mountains, and the noise of trees falling and parrots shrieking. "That was a blast from a Chinese-made RPG," shouted a combatant in a trench behind a guama tree. Only later did we learn that an RPG is a kind of mortar that is used mainly against tanks, because its projectile explodes only when it makes contact with a solid surface, especially a thick, metallic one.

A long, heavy silence followed. This reporter and the photographer walked slowly towards the barracks.

The Sky Lights Up

We had been sitting silently amid total darkness on the barracks floor when we heard a dull explosion in the distance. We then saw a ball of fire pierce the sky. It exploded at the top of its arc and gave off a brilliant flash. It was signal flare, and for 5 minutes it descended slowly, illuminating everything, so much so that the forest and the coffee plantation could be seen as clearly as if it were daytime.

Immediately thereafter began a thunderous round of mortar and rifle fire. The contras responded instantly with their artillery, as 82- and 60-millimeter mortars began belching out their shells. The stunned reporters began to understand some of what was going on.

For some 2 months the contras had been camped in a mountain gulch in barracks they had built amid a coffee plantation and the forest. This was the central base of operations of this anti-Sandinist front, and every day it dispatched patrols and detachments to attack towns, take roads, blow up bridges and ambush Sandinist forces. This is why the Sandinists had made this base one of their priority targets in the general offensive they launched on Monday 6 June. The offensive included at least 15,000 soldiers and militiamen in a bid to rout the approximately 7,000-man Nicaraguan Democratic Force, which was drawing dangerously near Ocotal, the capital of Nueva Segovia Department in northern Nicaragua.

The Sandinist onslaught to halt the advance of the contras was a full-fledged conventional war assault, with preparatory air reconnaissance, scouting detachments, then artillery and infantry and in the rear, a column of tanks moving along the roads. The scouting patrols had drawn near the base the day before and were launching their attack late the following afternoon.

But the Sandinists were at a disadvantage because they were below and the contras were up above on the hills. In addition, the Sandinists did not know the exact location of the base, and thus their mortar fire was directed mainly towards the mountainsides near the barracks.

Face to Face

The night dragged on. At around 10, it sounded as if a jet were flying through the mountain gully. The loud blasts of several successive explosions shook the darkness.

At least every half-hour exploding flares would light up the coffee fields. They were like psychological bombshells, because the combatants, stretched out on their stomachs, were left as defenseless and surprised as when a man chances on a naked girl taking a bath. They were like brief moments of daylight in that dense night of thunder.

During the early hours the Sandinists' advance forces came into direct contact with the contras' advance forces. They fought for almost 2 hours face to face, the one side entrenched along a hillside of pinetrees and the other some 50 meters away behind a wooded gully. Here comes the assault force, counterrevolutionary bastards," shouted the Sandinists. "Come and get us, communist traitors," replied the contras. They were on the verge of hand-to-hand combat, as had happened 2 days before, in the town of Tetecacinte (where the journalists Torgerson and Cross were slain on Monday), when the contras assaulted the Sandinists' trenches and for several minutes fought hand-to-hand and with bayonets, with the loss of many Nicaraguan lives.

All this was happening some 4 kilometers from the base, near which this reporter and the cameraman leaped like frogs from coffee bush to banana tree, stunned by the mortar blasts. We got to where Commander 03

and the radio operator were. The commander was talking with "Lechuza" [the owl], the head of the patrol that was battling the Sandinists. He received second-by-second news over the radio, and we newsmen then learned that if the Sandinists broke through the line of defense, they would move towards the base. It would be a major hand-to-hand battle, a slaughter or a massive withdrawal amid the darkness.

Lethal Fire

Around 11 that night the Sandinists began firing their Soviet-made AK-46 rifles. The bullets pierced the darkness like balls of fire and faded into the mountainside.

The contras answered each mortar shell with their own. First you would hear the blast from a Russian- and Chinese-made RPG mortar in the distance and then the response from the American-made Law mortar. It was like a tiny battle in the big East-West war. The flashing rounds from the Soviet AK's was met by the fearsome roar of the Falks.

At 10 minutes after midnight "Lechuza" told 03 over the radio that the Sandinist advance group had been repelled and that they were retreating down the hill, probably carrying their dead with them. He also told him with an emotion-filled voice that only three FDN men had been killed.

But the flashing rounds of the AK's and the blasts of the mortars continued roaring. It was at this point that 13-year old "Condorito," carrying his Falk, stopped for a moment to watch the balls of fire. It was not until two in the morning that the Sandinists fired their last mortar. The mortars of the contras also fell silent. They were happy, because they had turned back this attack of the big offensive and suffered just three losses. They also knew, however, that this was an initial trial attack and that the mortar fire might be more accurate later on.

The Last Good-By

After the mortar blasts and rifle fire ceased, it began to rain, and heavily so until dawn. No one slept. At dawn we were greeted by dark clouds, mist and an annoying drizzle. This reporter and the photographer then recognized the spot, the contras, the holes left by the mortar blasts and the men who emerged drenched and mud-covered by smiling from amid the coffee fields and the nearby mountain.

Even though it was a miserable day during the rainy season and the only food was cooked beans, they were all happy because they had survived and repelled the Sandinist attack.

At 10:30 in the morning they dug graves for the three dead men, right where they had fallen. No sooner had they been dug than they were

filled with water because the rain had intensified. Upon hearing nearby gunfire, they crawled into them for a moment. They then tossed the bodies into the half water-filled holes, placed crosses on them and prayed. These were the contras.

[27 Jun 83 pp 1-A, 8-A]

[Text] "I used to be a Protestant pastor in Jinotega, but when the Sandinists tore up my Old Testament, I came here to carry a gun," says Rosendo. "I was at Mass in Ciudad Antigua when they struck Father Salcedo, and that's why I came here to the mountains," says Antonio. "When they gave me a piece of land but did not hand me a written contract and then when I had to give the government my harvest, I realized that I didn't like communism, and that's why I came here to join the contras," states Eleodoro.

The three made their remarks in the heart of the Nicaraguan highlands while for several days they accompanied the reporters who were being evacuated to the border, inasmuch as a 15,000-man Sandinist offensive had launched a pincer movement against the guerrillas, who control much of the country's northern region.

Eight days before, Rosendo's, Antonio's and Eleodoro's detachment had been involved in taking the town of Los Arados in Nueva Segovia. The Sandinists fled when the guerrillas surrounded the village.

The members of the FDN swept into town, and close to 500 people came out to applaud them, shout anticommunist slogans and later give them packages of beans and rice. Several Catholics got down on their knees to pray, crying "Thank God they have come to save us from the communist atheists."

Two days later, the rebels drew to within 1 kilometer of Jalapa, the second largest town in Nueva Segovia, but they decided not to attack because many people were on a ferris wheel that was visiting the town.

That week they also attacked the Jalapa-Ocotol road, halting traffic for 3 hours. They spoke with the passengers, painted rallying cries on the vehicles and later battled with a military convoy that arrived to confront them. An RPG howitzer shell hit a Soviet-made IFA truck and sent it almost 2 meters into the air. The 15 Sandinists riding it were killed instantly. The guerrillas immediately withdrew into the mountains and were bid farewell with applause and cheers by more than 300 passengers who had gathered there during the 3 hours that the road was blocked.

The Lowly Ones

Who really are the 7,000 or 10,000 men who live, fight and die like guerrillas but who are totally opposed to all other guerrillas, including

the ones in Colombia, who have been trying for 40 years to impose socialism or communism in Latin American countries?

Somozists? Bandits? Mercenaries? Patriots? CIA agents?

For 9 days EL TIEMPO's correspondents lived with the FDN's "lowly ones." We interviewed at least 200 of the approximately 500 guerrillas whom we met. We walked with them, slept outdoors with them, ate nothing but cooked beans with them, ran with them through the mountains when the Sandinist advance guards were hot on their heels and desperately tried to understand at all times who they were. We tried to get to know at least the men who were living the tough and courageous guerrilla life there (there is no life tougher than a guerrilla's), because we realized that it was more important to report on the people struggling against Sandinism than to present a simple rundown of their adventures.

Our first conclusion was that this was a guerrilla group organized very much like the guerrillas on Colombia's eastern plains, because they all used nicknames or noms de guerre such as "Aguila," "Sospecha," "Peligro," "Nobleza" and "Vencedor." Every morning they also sang rustic songs with military lyrics, like the beautiful old songs of the Mexican Revolution.

But were there high-level executives, former bank presidents, large estate owners and colonels in the Somoza guard in the jungle? Perhaps these and other such individuals are to be found in the top echelon of the FDN organization. But here in the highlands there were just "little people," people representing the elderly, peasant farmers, women, children.

They were all poor. It was hard to understand how hundreds of people who do not know how to read or write or who never owned land because they were always laborers, people who never spent their vacations in Miami, were battling there against a revolution that had supposedly come to power to liberate Nicaragua and its poor from the yoke of General Somoza's infamous dictatorship.

Holy War

All of the approximately 500 men we met (the other guerrilla detachments are spread out around the mountains) had strong religious convictions. What is more, there is something of a great religious alliance there between Catholics and Protestants. Both maintain that Sandinism is communism and that communism is atheistic and, therefore, against God.

Commander "X-7," a hard-nosed military instructor, recounted his experience as follows: "I was a pastor of a Protestant church too. Even before the Sandinists won, I knew that they were communists and were going to do away with religion. They burned our Bibles and locked us up because we didn't join the Sandinist organizations. So I headed off with

38 other pastors into the mountains, and here I am with my Bible and my rifle. I'm fighting on behalf of God. I'm not afraid of killing a Sandinist, because I know that I'm doing it for God, and if I'm wrong and God doesn't understand what I'm doing, then I'll gladly go to hell for it."

X-7 is a good friend of Antonio, a butcher by profession and a very devout Catholic who headed for the mountains on the day that he saw a Catholic priest struck in Ciudad Antigua. Every morning, in addition to military exercises and anthems, the two say prayers, both Catholic and Protestant.

"Solidario" is an old schoolteacher who has at least 10 crucifixes on the chain around his neck. During the Sandinist attack on the base, Solidario fought back the onslaughts and was most likely the key man in enabling the 500 guerrillas to turn back an offensive by more than 1,500 soldiers from the Sandinist People's Army (EPS).

In fact, all of the guerrillas wear crucifixes around their necks, and some of them put decals of saints on the Belgian- and Soviet-made rifles that they have seized from the Sandinist soldiers and militiamen. "With God and patriotism we will defeat communism," they shout on occasion as they march along muddy roads. Three times a day they tune into the "15 de Septiembre" radio station, which mostly emphasizes the atheistic nature of the Sandinist revolution.

Peasant Farmers

Every day, from 5 to 10 peasant farmers arrive at the bases to join the anti-Sandinist guerrillas. They arrive sweaty, their clothing torn, because they have to come through the forest. They come barefoot, and most are illiterate. The majority are laborers on farms or small land owners whose crops have not sufficed to pay back the government loans they took out.

"In Pueblo Nuevo they gave a little piece of land but they didn't give me a loan. The little that I grew I had to turn over to the government, and when I refused to, they called me a counterrevolutionary and locked me up. They locked me up about 10 times, but the last time I got out I decided to go over to the contras," Oscar states.

"They loaned me 400 pesos to plant corn, but it didn't go far at all, and I also had to hand over the harvest to ANABAC. I was so poor that I got angry and quit the Sandinist Defense Committee (CDS) in my neighborhood. So they accused me of being a counterrevolutionary and started persecuting me, but I hid on them until I was able to make it up here to the mountains," says Arnulfo, who has just arrived with a bundle of clothes on his back and five children ahead of him.

"I was a policeman but I asked to be let go when I realized that the revolution was not for the poor, as the government said, because it

locked up all of the poor people who did not agree with the revolution. So when I asked to be let go, they agreed but the next day they took me prisoner, supposedly because I was a counterrevolutionary. When they let me out, I came looking for the contras. I came with my wife and father-in-law. We're the Lopez Pastrana family."

"What annoyed me the most was that I couldn't sell my bean crop to whoever I wanted to anymore. I had to sell it to the government. Also, when I went down to the market in Zapotillal on Sundays, I had to stand on very long lines, first to get the rationing coupon and then to buy just 2 pounds of sugar for 15 days and 12.5 pounds of beans for 15 days. They never had corn, and there were 13 of us at home," Pablo Gonzalez explains.

Smaller Than a Rifle

"Capulina" is 12 years old. He is from San Juan de Rio Coco, north of Jinotega. The FAL rifle that they gave him at first was longer than he was tall, and he therefore asked to have it exchanged for a Soviet AK-47, which comes up to his neck.

"I came here to the mountains because one day the Sandinists arrived at our school to get all us boys to join the Sandinist youth group and then the militias. So I went home, and since my dad was annoyed because they were teaching us at school that God didn't create the world, that it developed out of matter and since he was also without a job or money in the town, we came looking for the contras, and here I am with Commander 03, and my dad is on the other side of the mountain with Commander 'Candelero,'" recounts the 12-year old Capulina, who is shorter than a FAL rifle.

Condorito has this to say: "My father is the administrator of the farm. Ever since they took it away from the owner, we didn't like the Sandinist revolution. So several months ago some other boys from Totagalpa and myself decided to join the contras, 100 of us all at once, and we're all here fighting." The 13-year old "Morraco" is very happy that he has already been in combat.

"I'm very happy because X-7 says that I'm the best commando. He points to me as an example and says: Look at this boy. He isn't even 14 and fights fearlessly and superbly. I'm here because my dad told me: Head into the mountains, son, to fight for the freedom of your country, because if you don't agree with the government and don't get involved in the government's things, you won't be able to eat or work," says "Sospecha," who at 14 is big and strong enough to skillfully handle a heavy FAL rifle.

These are just 3 of the approximately 20 boys whom the EL TIEMPO correspondents ran into during their trek through the mountains of Nicaragua with the FDN. They were all impeccably clad in olive-drab uniforms

and wore cartridge belts, and though they were obviously hard put to handle the heavy weaponry, they all admitted that they were there of their own free will and that they were happy because "we are struggling for the freedom of our homeland, Nicaragua."

And the Somozists...

Around seven in the evening, after having walked the entire day along muddy mountain paths, we had to sleep wrapped in plastic sheets under the trees. During any rest stop or before going to bed, we inquired about the life and social origins of each of the combatants.

Of all the men we questioned, three admitted to having been Somozist guardsmen. Two said that they were not fighting to bring back a government like Somoza's but instead one like Costa Rica's, and the third confessed without embarrassment that if Somoza were to return, it would be better "because Nicaragua was better off then than now, but unfortunately Somoza can't come back because the Sandinists killed him down there in Paraguay."

During the marches, figures began rattling around in our heads. Perhaps the following is the breakdown of the combatant rank-and-file, the foot soldiers of the Nicaraguan Democratic Force: 2 percent are former Somozists, 17 percent are former Sandinists, and 81 percent are poor Catholic and Protestant peasant farmers who feel that Sandinism is a revolution that sooner than later will turn Nicaragua into a totally communist country, in the style of Cuba. They say that Sandinism will do away with God and freedom in Nicaragua.

"I was with with Negro Chamorro, yes, the Sandinist commander who dared to fire a bazooka rocket at Somoza's bunker. But like Negro Chamorro, I believe that the Sandinist revolution has betrayed Sandino, because Sandino wasn't a communist, and what the Sandinists have done is begin building a Marxist dictatorship in Nicaragua, not bring democracy to Nicaragua. That's why I didn't fight and that's why, like Negro Chamorro, who was such an important Sandinist commander and who rose up against them, I'm here in the mountains too," asserted "Vencedor," a former Sandinist who entered Managua triumphantly on 19 July 1979 but who is now in the mountains.

"There are a lot of us disillusioned Sandinists here because we fought not for a communist revolution but to have democracy and elections in Nicaragua," said Ramon, who did not make it into Managua that day and who has been in the mountains for a year.

[28 Jun 83 pp 1-A, 4-B]

[Text] Tegucigalpa--All along the Honduras-Nicaragua border you can hear the incessant chatter of machine gun fire and exploding mortars, while hundreds of families flee under fire, scenes that ought to remind Colombians that what happened in Vietnam and Cambodia is happening again here, right under their noses, opposite San Andres.

Of the 300,000 persons who have fled their homes in Central America, close to 40,000 are in camps in Honduras, and almost 15,000 are Nicaraguans who have fled across the border to escape the fighting inside their country.

On Monday 13 June, 120 American Green Beret instructors, all of whom are Vietnam veterans, disembarked at Puerto Castilla on Honduras's Atlantic coast. At the same time, the United States is hurriedly readying three extra runways for fighter plane operations in Honduras and completing the installation of an enormous radar system that will be able to monitor all civilian and military flights in the Central American region.

Furthermore, according to the most optimistic estimates, there are at least 2,000 Cuban and Bulgarian instructors in Nicaragua, and all of the socialist countries, with the Soviet Union in the lead, have practically set up an air bridge with Nicaragua to bring in both supplies and technological aid.

In Fonseca Gulf along Honduras's Pacific coast, Honduras operates a special squadron of "Pirana" torpedo boats for the United States to prevent Nicaragua from continuing to supply weapons and foodstuffs to the Salvadoran guerrillas, as it has been doing.

When we see these clashes, when we sense the unquestionable climate of war in Honduras, when we see military bases going up and when we notice that trenches are being dug along a more than 300-kilometer border, we inevitably reach the conclusion that the two great world powers, the United States and the Soviet Union, are going to be playing for the highest stakes in poverty-stricken, underdeveloped Central America.

East-West

Torrential rains have begun to pour down on the volcanoes and mountains of Central America in recent days. Thick jungles, wooded mountains and reddish meadowlands are the scene of a war that could break out at any time.

Tensions are currently running high along this narrow strip of land where some 22 million people live, and its primitive, unsophisticated inhabitants do not realize that their poverty-stricken destiny is tied in with the vital interests of the United States, the Soviet Union and the countries of Europe, which also need markets.

A 14-year old boy clutches a Falk rifle, the finest Western light weapon. He belongs to the contras and says that he is struggling for democracy. Another young lad of 17, an enthusiastic Sandinist, died last week, and his comrades were unable to retrieve his body, which they left behind with his Soviet AK-47 rifle.

Both are Nicaraguan, but the choice between remaining aligned with the Western republican system and embracing the eastern system of socialist countries, as Cuba did, turned them into deadly enemies.

This choice involves more than just human beings. The press in Tegucigalpa knows for certain that covert U.S. aid to the so-called contras, or the Nicaraguan Democratic Force, amounts to \$22 million a year.

Just as we know, however, that Cuba costs the Soviet Union \$11 million a day, Nicaragua too is surviving at present because the socialist countries are lending it as much as \$2 million a day in military and economic assistance.

The very fact that the U.S. Senate is debating whether the CIA can continue providing covert aid to anticommunist groups in Central America after 30 September, the end of the fiscal year, clearly demonstrates that the United States feels that it is vital to its security and to the Western system to halt Nicaragua's leftwing, pro-Soviet experiment.

"But have the press or the 'senates' of Cuba, the Soviet Union or the other socialist countries ever publicly discussed continuing or suspending aid to Nicaragua and the Salvadoran guerrillas?" asks James Reston.

"The difference is that in the West everything is discussed publicly, even the possibility of a military invasion," the famous American journalist and analyst asserted last week in Honduras.

The Weapons Fair

Everyone knows by now that Honduras sympathizes with the Nicaraguan Democratic Force and that its collaboration with this armed movement ranges from acceptance to tolerance. Sooner or later there will inevitably be a confrontation between Honduras's ultrarightwing military regime and Nicaragua's ultraleftwing military regime.

Likewise, everyone knows that Nicaragua gives daily support to the Salvadoran guerrillas and that Salvadoran insurgent leaders even move freely around Managua. Some of them kill each other there too; for example, a pair of prominent Salvadoran guerrillas, Commander Cayetano Carpio and Melida Anaya, were recently slain in Nicaragua.

"It's not that I want to side with Reagan, who talks so much about his domino theory, but it is a foregone conclusion that if El Salvador falls into the hands of the guerrillas and if the revolution in Nicaragua consolidates, then Honduras and Guatemala will fall in a matter of a few years and perhaps months," Reston also asserted.

Until recently the countries of Central America looked more like huge feudal estates than true nations, but in recent years they have become mere pawns on the world chessboard, where the kings are the United

States and the Soviet Union but where others too are trying to fish in troubled waters, such as the French or the European Social Democrats, who are also helping the leftist guerrillas a great deal without public discussion.

At any rate, Central America is at present a veritable weapons fair. The region's most democratic country, Costa Rica, is in fact a major arms trading center, where anyone with a million dollars in his pocket can buy anything from rifles to mortars.

The weapons come from all nations, but especially the United States and Soviet Union. Central America's wild vegetation is dotted with bullets fired by its mestizo inhabitants, who often without realizing it are principals in the East-West duel.

Who Will Win?

The question that everyone is asking himself now is the following: "Will the Nicaraguan Democratic Force be able to overthrow the Managua Sandinist regime?"

Edgar Chamorro Coronel, one of the seven directors who make up the organization's political command, gives this answer: "With the weapons that we have at present we cannot kick the Sandinists out, because we have 10,000 men waging a war against a regular army of more than 50,000 men outfitted with all sorts of weaponry, from artillery to aircraft."

"But if we manage to arm another 10,000 men, then the final battle could take place within a year," says Indalecio Rodriguez, another of the FDN's directors.

"What we can wage now against the Sandinists is a guerrilla war; we cannot fall into the trap of waging a conventional war, because we would lose," asserts Chamorro Coronel.

And this is what the FDN currently is: a guerrilla outfit that is struggling for a type of capitalist democracy but using the same tactics as traditional leftist guerrillas. They set up ambushes, take over towns, attack roads, make inroads among peasants and try to sabotage the entire Sandinist government apparatus.

The FDN's political directors make no bones about their aims. Edgar Chamorro asserts: "If we attack Nicaragua now, then the Sandinist revolution will become radically communist all at once. But if we do not attack, then it will radicalize slowly, but within 10 years Nicaragua will inevitably be another Cuba. Thus, we are doing a great service to democracy."

"In any event, what everyone has to realize is that it is more economical and easier to try and halt communism in Central American than to combat

it later when it has taken over the entire region, including Colombia," Indalecio Rodriguez asserts.

Vignettes of War

More than 10,000 Nicaraguans who fled their country's leftist regime are crowded together in tents or houses in Jaleapa or Teampasenti in southern Honduras.

Thousands of Guatemalans who fled from their country's ultrarightist regime are living in huts built amid the jungle in northern Honduras.

More than 20,000 Salvadorans who fled the leftists and rightists in their country have taken refuge in eastern Honduras...

Soviet and Cuban vessels dock at Nicaraguan ports every day. The Green berets arrived in Honduras, and a week later the country's foreign minister, Edgardo Paz Barnica, met with Congress behind closed doors to ask it for permission to set up a military training center in Puerto Castilla.

Because of an agreement to standardize technological items (flashlights all over the world operate on the same batteries), the bullets in U.S. rifles can also be used in Russian rifles. Therefore, when soldiers and guerrillas are killed in Nicaragua or El Salvador, the survivors always retrieve the rifles because there will never be any lack of bullets.

The children of Central America are on a war footing, males at age 12 and females at age 13...

Some 70 percent of the budgets of the 6 Central American countries goes for military expenditures, even though they are among the poorest nations on earth.

News items detrimental to the Soviet Union's international image are never published in Nicaragua's press. In the Honduran press everything is favorable to the United States.

Caravans of people can be seen along the roads to the borders, people fleeing with only a "bundle of clothes" on their backs.

"We have no choice here anymore. Either we stick with a U.S.-style democracy or have Russian-style communism," asserts a secondary school teacher in Honduras who did not reveal his name for fear of reprisals.

The people there are learning to live with the guns of war. And we really shouldn't be that worried, except that on a summer day you can almost see Central America from San Andres...

GOVERNMENT TO CONTINUE SOCIOECONOMIC DEVELOPMENT IN NORTH

Managua BARRICADA in Spanish 24 Jun 83 pp 1, 5

[Text] Jalapa, Nueva Segovia--The FSLN [Sandinist National Liberation Front] and institutions of the Revolutionary Government are making efforts to continue the economic and social development of this heroic region. A plan is underway to fortify the settlement closest to the Honduran border, according to Father Ramon Gonzalez, representing the INSSBI [Nicaraguan Institute of Social Security].

The program designed to help nearly 1,200 refugees, including workers in the tobacco industry and small and medium-size producers inhabiting this tropical area where the fight against counterrevolutionary forces has developed, is basically aimed at the urban expansion of settlements such as El Limon, the Alejandro Ramos Colony, Las Uvas, El Portillo, El Carbon and others.

Gonzalez gave BARRICADA a general report on the situation with the refugees, while MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform] officials described the plan programs dealing with farm production, reinforcement of cooperatives and the planting of basic grain.

Some 221 families from the communities of Tauquil, El Trapiche, Chisli, Solonli, Teotecacinte, El Porvenir and Siuce have been relocated to Jalapa and nearby communities and many of them have been sheltered in the homes of their own families, explained the INSSBI representative.

The program to aid those affected by the war is included in construction plans for La Estancia and El Escambray, where 200 housing units for peasant families are being built as fast as possible.

Jobs Kept

Dozens of workers who had to flee El Porvenir and the production units of Los Alcaravanes, La Cantina and La Esperanza, located near Teotecacinte and destroyed by the bombings and attacks by "Reagan's champions of freedom," have been relocated to other UPE [State Production Units] of the Tobacco Enterprise and their jobs kept.

Gonzalez explained that the last two-week period running until the middle of June was paid to the head of family working for the enterprise. Emergency aid was also given in the form of food such as basic grain and oil.

The situation has presented many problems, but they have been solved with the cooperation of the victims themselves. For example, a shed such as those used to warehouse tobacco has been rehabilitated and several families are living there in El Coyol, Gonzalez said.

By the end of last week, some 61 families remained in Teotecacinte, suffering the criminal bombings of the Honduran and Somozist bombings, but the patriotic attitude of the Nicaraguan people has caused them to return gradually and there are now 71 families in the area, 10 more than last week.

Production

Comrades with the Sandinist Youth working with refugees in Jalapa and PROCAMPO [Technical Counseling for Rural Areas] officials have reported to us on how production problems in the area have been solved.

Hundreds of blocks of land have been planted by cooperatives receiving grants in Jalapa Valley for cultivation.

Some individual producers have "loaned" land needed by others who have been displaced by attacks by counterrevolutionary bands in the border zone. People's organizations and the Sandinist Front have mobilized their forces and all weapons among the people. "With the plan, work sites for all cooperative or individual producers will be no farther than 5 kilometers in order to guarantee defense at the same time," Gonzalez said.

The municipality of Jalapa is now going through far-reaching social changes. The inhabitants of Teotecacinte, for example, are willing to return and rebuild permanent shelters. "We are not going to abandon our town or our property. Consequently, we have to put up walls to defend ourselves," said peasant Francisco Leiva.

For his part, the INSSBI delegate said that the entire municipal defense council is working on the program.

La Estancia

Some 7 kilometers southwest of Jalapa is the new settlement for cooperative peasants called La Estancia.

BARRICADA reporters were able to verify what they had been told by Father Gonzalez. Problems of the refugees or peasants evicted by the criminal acts of the counterrevolutionaries are being solved in a concrete manner.

Of the 100 houses being built by MINVAH [Ministry of Housing and Human Settlements], over 60 are ready and 10 families are already in their homes.

We spoke with Mario Penalba, head of the William Duarte Orozco Brigade of the Sandinist Youth, who, along with 45 comrades from the Vanguard youth detachment, have been working for 4 months on this dream of the revolution, providing peasants with houses near their own land.

Here there is no need to dream. Youths with the 19 de Julio Sandinist Youth Brigade are working for ECOVIN, the MINVAH housing construction enterprise, learning a trade and also gaining revolutionary and professional training.

They are organized with peasants in the MPS [Sandinist People's Militias] and are ready with rifles to drive out the enemy if he should attempt any penetration. Mario admits that the plan was to be finished by 15 July, but there was a delay because of the shortage of building materials.

Housewife

Her name is Adilia Maradiaga. Her husband works with the cooperative that has planted over 300 blocks in basic grain. "I have a positive feeling about this because we would never have had it," she tells us, coming straight to the point.

She is with Angelina Ramos, her neighbor, sitting on a bench in the living room of the little house that has two rooms, a cement and zinc latrine and enough space so that every person can build on according to his possibilities.

Only at the Miskito settlements had we seen a place so far from Managua where houses were built for the peasant; now it is nearly on the border. Adilia began to tell us about the plans of all the first settlers in La Estancia.

"We decided that the school would be the first thing. We already have an out-patient clinic and a doctor comes every week to see us and visit the sick. We plan to plant gardens in order to produce more food for ourselves and for those living in Managua.

She spoke with such simplicity that she impressed the three Uruguayan reporters accompanying BARRICADA. At the settlement located about 6 kilometers from the border, what will soon be the CDE [Child Development Center] of the rural colony La Estancia has already gone into operation.

"We have 25 children already, receiving food sent by the INSSBI. Some women take care of them while we do the cooking," Adilia explains.

Mario, head of construction, adds that a building is being put up to serve as the settlement's store, or what will be called the rural supply center. There will also be a community laundry with baths for the colony and shared water will be brought in for every group of 10 houses.

A well to supply the new population with water will be the solution to the trips of the women to the river. This will also prevent the criminal Somozist guards from being able to take advantage and commit other abuses, Mario Penalba explains.

This is the sweet reality emerging every day in the face of the aggression and attitudes dating from 4 years ago.

CONSTRUCTION MINISTRY TO CONTINUE PROJECTS DESPITE WAR

Workers to Repair Machinery

Managua BARRICADA in Spanish 22 Jun 83 pp 1,16

[Article by Lidia Hunter]

[Text] Rio Blanco—The last of the trucks that are to repair the construction equipment damaged by counterrevolutionary bands last Saturday at the Construction Ministry (MICONS) camp where they are building the El Tuma-Siuna road arrived here at 1400 hours yesterday.

The caravan, which left at 0500 hours yesterday, is composed of 38 MICONS headquarters workers who brought with them nine Pegasso trucks, one tractor, four light trucks that had been converted by the workers into two sprinkling trucks and two flat trucks, as well as other materials.

Three days after the cowardly counterrevolutionary attack that resulted in losses of over \$2 million, workers were yesterday performing cleanup chores and rebuilding the three mess halls, two dispensaries and dormitories that had been practically destroyed.

Some 80 counterrevolutionaries attacked the camp, forcing the workers, who at the time were getting ready to start their day's work, to assemble in the middle of the camp in order to carry out the attack.

According to what the workers said, one of their objectives was to murder the head of the camp, engineer Ramon Centeno, who was in Managua at the time.

Comrade Arcadio Sanchez, a carpenter, said that the attack began about 0500 hours and that some 15 minutes later, when all of them were assembled, they forced them to turn over to them the military equipment they had, saying that if they did not do so they would be killed.

As for Comrade Roberto Guzman Mercado, responsible for drainage, he asserted that the counterrevolutionaries also took some personal belongings from the workers, like watches, wineskins and other things.

He also said that, since everything happened so quickly, they did not have time to notify the MICONS camp at Rio Blanco, since the radio shack was also burned.

At the Rio Blanco camp engineer Francisco Martínez said that with the equipment that arrived yesterday operations would be back to 80 percent of normal in the next 2 days and that an appeal had already been made to all the workers not to hold up the project by so much as an inch.

Last night the workers held a meeting with Comrade Rene Solis, a ministerial delegate, to reinforce vigilance at the worksites.

We should note that the comrades who arrived yesterday from Managua immediately went to work to prevent any delay in the construction of the roads.

The comrades who live in Rio Blanco and serve as a support base for the MICONS workers were also getting ready yesterday to rebuild their homes, which were also burned by the counterrevolutionaries.

Minister's Statement

Managua BARRICADA in Spanish 22 Jun 83 p 16

[Article: "A Big Blow to the Counterrevolutionaries: MICONS Will Not Delay Its Projects in the North"]

[Text] At a press conference at which he confirmed the counterrevolutionary sabotage of a road-building camp involving damages of over \$2 million, the head of MICONS, guerrilla commander Mauricio Valenzuela, yesterday asserted that MICONS would finish the construction of the roads that had been planned on schedule.

Valenzuela said that the Rio Blanco-Tuma road — a project on which they had been using the destroyed and damaged equipment — would be completed next August as had been announced. Next summer they will continue the road to link up with Siuna.

He disclosed that on Friday night — hours before the Somocista attack — camp militiamen were mobilized at a spot near the area, which is why, when the sabotage commando made its raid Saturday at dawn, there was no armed protection.

With regard to that, he said that possibly "some information leaked out" about the camp's defenses. However, he said that he did not know whether anyone had been captured to date.

After confirming the information published yesterday by BARRICADA, the commander said that they are already taking steps to guarantee the adequate defense of the workers and the machinery. With regard to this he emphasized the readiness of the workers.

May and June: Four Workers Murdered by Somocistas

He reminded us that during these past 2 months four MICONS workers, members of the road construction brigades, had died at the hands of counterrevolutionaries in Nueva Segovia and Jinotega.

He also said that these brigades work armed and cited as an example the workers who built the San Jose de Bocay-Ayapal road, an area where there have been frequent Somocista raids.

He confirmed the fact that technicians who are to repair the least damaged equipment, 10 trucks and other replacement machinery had left for the destroyed camp yesterday morning. He repeated that the job would not be delayed. Last night there was a meeting at the camp, 80 percent of whose installations were destroyed.

Big Blow to the Counterrevolutionaries

Valenzuela described the attack as a "big blow," but he said too that finishing the project on schedule will also be a "big blow" to the counterrevolutionaries, fundamentally because farmers will have more and more roads to haul their crops on.

MICONS is at present engaging in conversations with the chiefs of the Sixth Military Region, which includes Matagalpa, to guarantee the weapons necessary for the defense of the camps.

11,466
CSO: 3248/1078

BRIEFS

POPULAR ACTION MOVEMENT PUBLICATION--A new issue of PRENSA PROLETARIA, a publication of the Popular Action Movement, has hit the news stands. PRENSA PROLETARIA's director is Juan Alberto Enriquez. [Summary] [PA160128 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 15 Jul 83]

PEASANT DEMONSTRATION IN GRANADA--Members of the National Union of Farmers and Cattlemen from different parts of eastern Nicaragua staged a demonstration in Granada today to ask that all their debts be annulled. Commander Ramon Cabrales, delegate of the Junta of the Government of National Reconstruction for Region Four, received the demonstrators at the Granada Government House. He conceded that their demands are just, and pledged that the government will respond to them on 19 July, the fourth anniversary of the revolution. [Summary] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 14 Jul 83]

GDR DONATION--GDR Ambassador Gerald Mockle yesterday delivered a donation of 50 Simson B-51-s motorcycles, 7 cases of medical instruments, canned food, and school supplies for the Juvenile Correction Center in Managua. [Summary] [PA162358 Managua EL NUEVO DIARIO in Spanish 9 Jul 83 p 12]

TAX COLLECTION--The Nicaraguan Finance Ministry has reported the collection of 541 million Cordobas during the month of June, 76 million more than budgeted. Collections during the past 6 months have exceeded projections by 438 million Cordobas. The increase was most noticeable in March, when the real estate tax is also collected. [Managua BARRICADA in Spanish 8 Jul 83 p 7 PA]

DONATIONS FROM SPAIN, CANADA--The municipality of Madrid, Spain, has donated \$110,443 for Nicaragua's adult education programs. In addition, the International Council for Adult Education, headquartered in Toronto, Canada, has donated IBM spare parts and graphic materials for use in adult education workshops. [Summary] [PA111331 Managua Radio Sandino in Spanish 1830 GMT 8 Jul 83]

NEW GUYANESE AMBASSADOR--Noel P. Sinclair, the new Guyanese ambassador to Nicaragua, today presented his credentials to Nicaraguan Junta member Rafael Cordova Rivas. [Summary] [Managua Radio Sandino in Spanish 1830 GMT 7 Jul 83 PA]

AGROINDUSTRIAL DEVELOPMENT IN JALAPA--(ANN)--Agroindustrial development projects in the municipality of Jalapa will not be halted by counterrevolutionary attacks in the area. While 20 percent of such projects have been affected by the belicose actions of Somozist bands, including 210 hectares of coffee planted in the zone, work continues on the corn, bean and rice crops, totaling 2,646 hectares, in addition to 210 hectares in potatoes and 35 in soybeans. Losses caused by the Somozist forces, backed by the Honduran Army, total an estimated \$5 million on the La Mia farm alone, where counterrevolutionaries destroyed some 30 tobacco driers, leaving 180 workers unemployed. The crop most affected is Havana tobacco, with over 300 acres lost. Some 1,000 workers had been involved with the crop. Unemployed farm workers will be absorbed by other basic grain in the government zone, with the help of the EEC. Along with the relocation of workers from the tobacco plantations, the Ministry of Housing is building 200 houses for them. While the new houses are being put up, they are living in different houses in Jalapa. [Text] [Managua BARRICADA in Spanish 26 Jun 83 p 10] 11,464

CSO: 3248/1079

LINK BETWEEN SENDERIST, MAOIST CULTURES EXAMINED

Santiago ERCILLA in Spanish 22 Jun 83 pp 56-57

[Article by M. Isabel Sequel: "Sendero Luminoso, Link Between the Incas and Mao?"]

[Text] Parallel Histories Explain in Part how Terrorism Shrewdly Uses the Characteristics of One Culture in Favor of Maoist Communism

The Center of the World is what the Incas called it in their day. It was precisely there in Cuzco where the Spaniards came face to face with the twilight of one of the world's greatest empires: the Inca.

Despite that, the Indian communities of the region still keep up their thousand year old traditions. Somehow impervious to the teaching that the white European brought to their lands, the Quechuas, Chibchas, and other such ethnic groups were witness a few days ago to an act of terrorism that left this great city in the dark for more than a week, possibly causing in its inhabitants the same panic as when the Spaniards beheaded their great chief Tupac Amaru in the plaza.

But Cuzco was not the only victim of the Sendero Luminoso [shining path] bombs. Lights also went out throughout the whole length of the sacred valley of the Incas, the Urubamba.

This terrorist act will not be the last in the chain of those unleashed by Sendero Luminoso, a Maoist group whose roots trace back 20 years to Ayacucho, a city between Cuzco and Lima.

In the last 3 years the Senderistas have been responsible for at least a thousand and fatal assaults. And on Sunday, June 12, after a series of explosions in Lima, the police arrested more than 3,000 suspects, using emergency powers decreed by President Belaunde Terry in the beginning of May. But that did not save the provincial inspector for Ayacucho from being gunned down at close range this past Sunday.

Although the number of Senderista militants is estimated at not over 2,000, the leftist group has succeeded in jolting a democracy that is still not consolidated and in creating panic in Indian communities that are not used to Western violence, that are self-sufficient, autonomous, and moreover have been largely left alone by successive Peruvian governments.

Twenty-six years ago, "Che" Guevara tried to get a guerilla nucleus started among Bolivian peasants. The hostility of the natives led to his failure and death. The Senderistas too have been poorly recieved by such communities, which are tired of putting up with their pressures and promises. But this terrorist movement has not been the only one of its kind to spring up in Peru in the last 20 years. There was also the Trotzkyite Hugo Blanco and Luis de la Puente Uceda, a name that occupies a place in Latin American guerrilla history beside that of "Che" and of Camilo Torres, of Columbia.

For both of them also, the rural condition of the peasant and his land was the reason for taking up the struggle. And this is not original to the Peruvian guerrilla movement. "Land or Death" was a slogan used by Fidel Castro and by the Mexican, Emiliano Zapata.

Among the guerrilla groups existing in Latin America today, Sendero Luminoso seems to be one of the most inexplicable in appearance and perhaps as diffused as the M-19 Movement in Colombia. ERCIL-LLA has tried to put together some details that might help explain where this group draws its strength and its justification for being.

Deciding that Marxist theories based on an urban proletariat would not thrive among the agrarian communities in the interior of Peru, Abimael Guzman, professor and Senderista leader, took for his model the Chinese experience of Mao, whose revolution grew out of the countryside.

Literacy Without Land

As a social race or class, the Peruvian Indian makes up the producing majority of the country, according to Luis Alberto Sanchez, well-known Peruvian public figure.

According to him, the education of the Indian has failed because it has tried to impose abstract principles upon his realist mentality, whereas the only thing clear to him is the right to and the basic necessity of a small piece of land of his own. Literacy without land sounds false to him. "What's the point of learning about sovereignty if it does not mean being owner of the soil that you cultivate?" Nothing explains better than this phrase the pragmatic mentality of the Indian communities of Peru.

If the Indian in the southern part of the country has opened his ears to Maoist Communist propaganda, it is because it talks to him about restoring the Quechua and Aymara institutions and about restoring their land. It does not offer more explanation because of the risk of never keeping its promise.

However, it might perhaps be possible to say that the victory of terrorism has gotten thus far in Peru because when it comes to the dialectics of class struggle, the sense of realism takes over again in the Indian communities. What moves them most is not hatred of a governing white minority, descended from European conquistadores, but rather their innate love of the land and their opposition to whoever would take it from them.

Asiatic Heritage

The Peruvian Indian by tradition is a collectivist, and that is another point that the terrorists have exploited. History and necessity have accustomed him to teamwork and to dependence on his land, the "mamapacha." The ayllu also continue to exist like an Inca community in a kind of cooperative. Far from being as ignorant as they are pictured, they have an acute sense of the practical. They know full well that power, in the final analysis, is on the side of the government.

Likewise, they have not been openly affected either by the education that they have received from the Peruvian Government or by the ideas that the Sendero Luminoso group has been trying to instil in them.

Another aspect of the Maoist character of the Senderistas is rooted in the large Asiatic population, Chinese and Japanese, that came to Peru.

Chinese were brought in as laborers back in 1800. They are a significant factor in Peru, especially in the intellectual field, where several of them and their descendants have been outstanding. It was because of this very influence that the dictator Odría in the 1950's ordered that Peruvian passports be denied to all his fellow countrymen who had "slant eyes and devious souls." However, the Indians, who were accustomed to living conditions just as wretched as those of the Chinese, did not take long to accept them, adopting some of their culinary methods. That might perhaps be one of the lost links that explain the joining together of Quechuas and Chinese.

For this and many other reasons, the destabilizing, if not fatal, influence of Sendero Luminoso cannot be underestimated. They are said to represent some 15 million Indians and mestizos, as compared to 3 million white Peruvians who have been ruling the country since the Spanish Conquest.

The latest announcement about a coordination of Latin American guerrilla movements, released by Colombia's M-19 on June 15, could eventually give these groups the importance they sought to achieve with Che Cuevara. In fact, countries like Brazil, Bolivia, and Ecuador are manifestly concerned about the skill that these groups employ to stay active. M-19 even announced the creation of a faction, called M-20, in Ecuador, a country without any such large movements up to now.

A Colombian news agency reported the holding of an assembly last April in Esmeralda, Ecuador, of five guerrilla groups. Sendero Luminoso was said to be one of them.

Time will tell whether the remnants of the great Inca culture will succeed in resisting the power and the fear being propagated by the Senderistas, who take every advantage of the conditions in which they live.

On Friday, 24 June, the Feast of the Sun, "Inti Raymi," is to be celebrated in Cuzco. By then there will again be electric power in that region, which is so full of its imposing past but which today is threatened by a terrorism of this century that is alien to it.

12430

CSO: 3348/514

SHINING PATH ACTIVITIES, DEVELOPMENTS IN AYACHUCHO REPORTED

PA291455 Havana International Service in Quechua 2200 GMT 25 Jul 83

[Text] It has been reported from Lima that the capital was without electricity due to the sabotaging of electric towers. Explosions were heard in different places in Lima after the electricity went off.

A Lima newspaper reported that special agents deactivated 25 bombs which were placed in private enterprises.

Ayacucho sources reported that Shining Path members set fire to an ELECTROPERU [Peruvian State Electric Power Enterprise] building, located 50 meters from the Ayacucho jail.

Meanwhile, Carlos Velarde, president of the Ayacucho higher court, reported that the deadline for solving the case of the murder of eight reporters is near. This deadline, Velarde said, expires on 8 August. Despite statements by this judge, reliable opposition sources have noted that the government report that peasants confused the reporters for terrorists is baseless, because of a picture that was found showing the dead journalists with the peasants. They were all smiling.

According to the sources, it is also very significant that some of the eye-witnesses have been killed and others are missing and to this date there isn't a single witness who will testify and clarify the incident.

Moreover, Lima Mayor Eduardo Borego said that he does not agree with implementing the death penalty in Peru on the pretext of exterminating terrorist groups. He added that the death penalty will not solve the problem of the armed groups.

President Fernando Belaunde Terry is the only official who can request a constitutional amendment to include the death penalty.

Meanwhile, it was reported in Lima that Valentine Pacheco, leader of the General Confederation of Peruvian Workers, was arrested.

CSO: 3348/581

BRIEFS

BOMB EXPLOSIONS IN AYACUCHO--News reports from Ayacucho have disclosed that an armed group detonated several bombs on the outskirts of Ayacucho. It was also learned that there were dynamite attacks in Cajamarca and Chiclayo. It was reported in Lima that the relatives of the eight reporters murdered in Ayacucho issued a communique declaring that they will stage a nationwide protest to ask the government to speed up its clarification of their relatives' murder. In the same communique, they ask the government to hold the trial in Lima, as the necessary guarantees for its fairness do not exist in Ayacucho. [Text] [PA292243 Havana International Service in Quechua 2200 GMT 28 Jul 83]

TALKS WITH CLANDESTINE GROUPS--Important Peruvian personalities have expressed support for the idea of holding a peace-seeking dialogue with the clandestine armed groups that are operating in the country. Attorney General Miguel Caverio; Msgr Luis Bambaren, the bishop of Chimbote; and Carlos Blancas, Christian Democratic Party president, have all agreed that it is necessary to engage in talks to solve the problem of violence in Peru. Meanwhile, in Lima, Interior Minister Luis Percovich admitted that the Armed Forces might cooperate with the police in the fight against the clandestine groups. It is up to President Fernando Belaunde Terry to decide this, Percovich said. [Text] [PA290301 Havana International Service in Spanish 1800 GMT 28 Jul 83]

CSO: 3348/581

GUARDIAN SLAMS GOVERNMENT'S FISCAL POLICY ON OIL

Port-of-Spain TRINIDAD GUARDIAN in English 18 Jun 83 p 1

[Page-One Editorial]

[Text]

WE cannot go on like this.

The Government apparently does not have the ability or lacks the will for dealing with the economic crisis, involving the petroleum sector.

We refer to the easily-predictable confusion and straitened circumstances for this country which would accompany closedown of Texaco Trinidad, the country's leading petroleum producer, whose continued operation here is a vital part of this nation's economic operations.

Indeed, as Senator Alwin Chow told the Senate a few days ago, "The Supplemental Petroleum Tax has been named as one of the instruments which have been contributing to the decline of the oil sector.

"It is not the only contributor to the decline of the oil sector, of course. The international economy does play a part, but this was well known three years ago, and, therefore, it is not an excuse to say that the prices of oil have fallen and so forth. As the prices of oil fall, certain adjustments have to be made, if you are to survive, if you are to surmount the challenges that are placed before you."

Sen. Chow had earlier warned, "Nobody wants to make any investment decision because they have no idea or they do not know where the Government is taking the economy and where the international economic forces are going to lead us."

For almost a year now the Prime Minister who is Finance Minister, has failed to act upon a request by the company for lower oil taxes. He does nothing and he says nothing.

The company has made it clear that it cannot go on losing money and a programme of early retirement has begun. Production is down to a dangerous level and the effects are being felt not only in the immediate oil sector but throughout the country. Every day we hear of more retrenchment in all sectors of the society. Every day we see millions of dollars worth of equipment lying idle in the oil industry.

ULTIMATE DEBACLE

With the global oil picture one of increasing drabness if not gloom, with the prospects of declining oil prices stirring even OPEC into thinking aloud of convening a summit meeting with the world's leading oil consumers in an effort to prevent ultimate debacle, with the darkening cloud of retrenchment overhead, the Ministry of Finance preserves a puerile and indefensible silence concerning fiscal policy towards petroleum producers here.

Evidently, the Government cannot be moved to act except by some cataclysmic urge from Texaco — and this may come sooner than the Government dares fear: who knows what will follow when Texaco's board considers the company's midyear financial statement?

If any action fatal to our economy results from such consideration, the Government will have nobody to blame but its own decision makers.

The Government has never given anyone any reason to doubt that the oil companies' insistence on lower taxation is unjustified.

Recently, Mr. Nizam Mohammed, M.P. chairman of the United Labour Front publicly stated, "Government should take a closer look at the tax structure which Texaco is maintaining should be revised to relieve them of the high taxation in the various areas." He was plainly lining up in support of the companies' request. The issue, he felt, was crucial: 52 per cent of the country's public revenues, the jobs of thousands of oilworkers and the country at large were all at stake yet, he reported, "baffling" silence was the only response from the Prime Minister and Minister of Finance.

This is exactly how thousands of citizens feel for and against the Government. There are thousands of workers in dependent enterprises in the country waiting for the settlement of the future of Texaco.

FINANCIAL BURDEN

The Government in its wisdom has imposed upon oil companies taxes higher than that paid by other companies operating here. The supplemental tax is paid as follows: 35 per cent of gross income derived from disposal of crude oil in respect of land operations, 60 per cent in respect of marine operations. This is in addition to a refining tax levied on each barrel of crude oil or petroleum products. The allowances permitted for the purpose of calculating the taxes payable do not, it seems, do much to relieve the companies of financial burden. Hence there is the insistence on revision.

Since the Government is apparently not prepared to disclose its opinion about the companies' views on the taxation, it is clear the Government must be in even more of a quandary about coming to any agreement over the future of Texaco itself.

Obviously any heavy reduction of taxes would worsen the 1983 Budget prediction that this year the companies would provide about \$1,000 million less than the expected outturn for fiscal 1982. This, of course, raises certain risks for the Government but they have to be faced.

If the Minister of Finance feels that he would be criticised because of tax concessions involving multinationals, let him consider that the issue involves many thousands of citizens who find themselves in a precarious economic position. Let us worry about them.

The Minister must do the right thing to help those citizens. Obviously any reduction of taxes will affect projected revenue, but the oil industry is our goose that lays golden eggs. Even in today's sophisticated world, if one kills the economic goose he gets no more eggs, golden or otherwise.

To sit and do nothing, to say nothing, is to pass the right and the obligation to make the decision into the hands of others. When that happens, the Government would have absolutely no input, the people no hope of avoiding painful adjustment.

In these circumstances we must wonder whether we have a Government at all or whether its advisers are capable of providing truly helpful data for imaginative, positive decisions.

NEW BORROWING LIMIT FOR GOVERNMENT APPROVED; OPPOSITION ASSAILS MOVE

Parliamentary Action

Port-of-Spain TRINIDAD GUARDIAN in English 18 Jun 83 p 1

[Text]

THE HOUSE of Representatives yesterday approved a motion to authorise Government to borrow up to \$500 million by the issue of Treasury Bills. Opposition members voted against the motion.

Piloting the motion, Senator Anthony Jacelon, Minister in the Ministry of Finance, explained that it was only intended to borrow up to \$150 million this year through Treasury Bills.

Also before the House yesterday was a motion to increase the total value of non-transferable tax free bonds to be issued by the Minister of Finance to \$300 million, and another motion to authorise Government to borrow a sum not exceeding \$1,000 million for financing general development.

Debate on the motion to increase the amount of the bonds issued was continuing late yesterday evening.

Erroneous report

SENATOR Anthony Jacelon, Minister in the Ministry of Finance, yesterday referred to a Cana report in the newspapers relating to the Caricom Multilateral Clearing Facility as totally erroneous.

The report, he said, could only be made by a person who had not the slightest idea of how the facility worked.

His comment came after Opposition parliamentarian Winston Dookeran quoted a section of the report in the House of Representatives during debate on a motion to increase the ceiling on Treasury Bills issued.

Opposition members had drawn attention to the facility during the debate and in replying, Senator Jacelon said that the issue had no place in the debate and stated that the multilateral clearing facility was not a fund where money was put in and drawn out.

"It is a central bank keeping facility", he explained.

When Senator Dookeran referred to

part of the Caricom report in which Barbados Prime Minister, Mr Tom Adams, was quoted, Senator Jacelon said that the report was totally erroneous and could only be made by a person who had not the slightest idea of how the multilateral clearing facility works".

Query on ISCOTT

REP NIZAM MOHAMMED, Opposition Chief Whip yesterday threatened to "break up Parliament" if the Opposition did not get satisfactory answers to questions posed in the House of Representatives.

His threat came during question time shortly after Minister of State Enterprises, Rep. Ronald Williams, answered a question from Rep. Trevor Sudama (Opposition, Oropouche), relating to the accounts of the Iron and Steel Company.

Mr. Williams had stated that the accounts had been prepared and submitted for audit and other questions should not be directed to his ministry.

After a supplemental question asking for dates of submission of the report and the Minister stated that he did not have the details, Rep. Mohammed questioned whether the Minister was stating that he did not know, and he charged that they were keeping ISCOTT as private property.

He said: "The next time we get this type of answer we are going to break up this Parliament."

Talking loudly, both he and Rep Williams were on their feet at the same time and Rep. Mohammed said they were not begging the Minister to answer now.

Earlier Rep. John Donaldson, Minister of National Security, declined to answer a question from Rep. Sudama asking for details of illegal immigrants in Trinidad and Tobago.

Rep. Donaldson invoked Standing order 19(4) which states that a Minister may decline to answer a ques-

tion if the publication of the answer would in his opinion be contrary to the public interest.

Speaker says 'No'

SPEAKER of the House of Representatives, Mr. Matthew Ramcharan, yesterday disallowed the request by Opposition Leader Basdeo Panday to raise the matter relating to the Prime Minister's refusal to accept the resignation of Attorney General Senator Russell Martineau.

Mr. Panday sought to raise the issue under Standing Order 11 and later Standing Order No 12 as a definite

matter of urgent public importance.

Speaker Ramcharan wrote Mr Panday stating that the request could not be approved as the subject could be raised on a motion for adjournment under Standing Order No 11 or Standing order 12 but could be made the subject of a substantive motion.

Mr. Panday said the reason was urgent because if his interpretation of the Attorney General's resignation letter was correct then the House was improperly constituted because the Attorney General was no longer the holder of that office since he had resigned.

Opposition Charges

Port-of-Spain TRINIDAD GUARDIAN in English 22 Jun 83 p 1

[Article by Norris Solomon]

[Text] OPPOSITION Senator Karl Hudson-Phillips said yesterday it was a stark reality that the country could expect a national budget deficit of \$4 billion.

He told the Senate he felt that the Government "will surely like" to have a mid-year budget in July and another at the end of the year.

Senator Hudson-Phillips, who is acting as an Opposition senator in the Senate, made him comments shortly after he was assured of a further six weeks as an Opposition Senator to act for Senator Nuevo Diaz.

President of the Senate, Dr. Wahid Ali, announced that Senator Diaz had been given another six weeks leave of absence and, according to "the instruments," Senator Hudson-Phillips would continue to act.

Senator Hudson-Phillips said that the country was of the view that the financial situation in Trinidad and Tobago was critical and Government was "not levelling with the country in several areas.

"There are too many unanswered questions as far as the finances of the country are concerned," he charged.

His comments were made during debate on a motion to authorise the Minister of Finance and Planning to borrow up to \$500 million by the issue of Treasury Bills.

The state of the economy and future plans featured during the debate.

The Bill was piloted by Senator Anthony Jacelon, Minister in the Ministry of Finance who pointed out that it was part of the planned finances for 1983 and it was intended to raise only \$150 million in 1983.

The motion which was passed with the Opposition and three independents voting against increasing the ceiling from \$125 million to \$500 million.

'Wait and See'

"It is not unanticipated cash needs," Senator Jacelon said.

Earlier, Independent Senator Alwin Chow said that the whole economy was in a state of "wait and see" because nobody wanted to make a decision and had no idea where the Government was taking the country economically or where the economy will take us.

"We are awaiting the Demas Report," Senator Chow said.

Opposition Senator Lincoln Myers said: "We would be utterly mad if we were to support this motion."

Senator Hudson-Phillips said that Government had been financing some of the deficits from special funds, and while the budget speech of 1983 spoke of a deficit of \$988 million it was common knowledge that Government was going to the external market to borrow in excess of \$1 billion.

He said: "At the rate at which there is a drawdown on past savings, we can expect in 1983 there will be total depletion of past savings."

He said that prescriptions of the International Monetary Fund were well known and he doubted whether the Government would be able to take any of the prescriptions.

Senator Hudson-Phillips said that the Multi Sectoral Task Force (Demas report) had given Government certain prescriptions which they did not have the political will to make.

He claimed that Government had a reluctance to face up to reality. He agreed with Opposition and some Independent members that there was a serious erosion of confidence.

Senator Chow said that there were serious economic issues which must be explained.

"We as an economy," he said, "are waiting for something to happen before we decide." He added that while we continue to admit we are facing problems there are semantic arguments about the word "recession".

He said it appeared that "we are awaiting for certain things to take place before we can evaluate the direction. In the first issue, we are awaiting the Demas report. In my mind this is one of the most crucially awaited statements."

He said that it was not fair to ask people to make certain investment decisions when certain fiscal measures had not yet been announced.

Senator Chow said that the country was also awaiting solutions regarding problems associated with Caricom and added, "It seems that each day a new problem is identified with Caricom."

"There is no long term statement of policy which would lead to the rejuvenation of Caricom," he said.

The senator said: "We are awaiting implementation of accountability measures in all areas of public administration.

"Unless we have a sense of confidence in public administration in day-to-day activities, then it is unlikely we would have people to take action and invest in Trinidad and Tobago.

'Second Innings'

He felt, too, that Government could come out of the crease a few times and go down the wicket, even at the risk of being bowled....."there is always a second innings."

Independent Senator Gerard Furness-Smith said that the Minister did not seem to realise that "one of the most important ingredients we have is confidence" and it would not do much today to raise the ceiling to \$500 million if they wanted to borrow only \$150 million.

Independent Senator Louise Horne said that while awaiting the several fiscal reports, "let us make adjustments."

Senator George Bovell (Independent) urged Government to get agriculture going seriously and use some of the money to fund agriculture.

"Time is catching up with us," he said. "If we are going to borrow money we should move to see agriculture going."

Senator Jacelon, in winding up the debate, said that the measure was not going to remove money from the system.

He said there were "certain sections in our country who are just transients who take their money away and say 'ayo'"....

People were afraid to invest, he said, because people went about talking about devaluation.

Some people were just going about talking about devaluation and not caring but crying down the economic system, he said.

"By going around and crying, you are not helping the situation," he said.

"Whether you like it or not, the welfare of the country is the concern of all of us. By going around crying wolf, you are not helping the situation, he warned.

Senator Jacelon said that his Cabinet colleagues could give evidence that Government had cut back.

Voting on the Bill was 18 for and eight against with Opposition members against and three Independent also against--Senator Furness-Smith, Senator Chow and Senator Horne.

Internal Borrowing

Port-of-Spain TRINIDAD GUARDIAN in English 23 Jun 83 p 1

[Text] GOVERNMENT does not intend to borrow externally under the Development Loans Act, according to Senator Anthony Jacelon Minister in the Ministry of Finance.

He told the House of Representatives yesterday that despite the fact that Government was seeking to increase the ceiling to borrow under the Act to \$1,000 million, it only intended to borrow up to \$150 million this year.

He explained that under the Act, first introduced in 1964, the total amount borrowed so far was \$576 million, the amount Government was allowed to borrow in 1977.

At the time he was piloting the motion seeking to increase the amount to be borrowed.

Earlier, Senator Jacelon wound up the debate on another motion which authorised Government to issue up to \$300 million in non-transferable tax deductible savings bonds.

The House approved the motion for the increase of the savings bonds and debate was continuing on the motion to increase the ceiling for the Development Loans Act.

Senator Jacelon said: "We do not intend to use this Act to borrow money externally. We intend to raise the money internally.

Medium and long term bonds would be the sort raised, he said.

The House is to meet again today.

CSO: 3298/756

POLITICAL PARTIES TRADE CHARGES IN PARLIAMENT, RALLIES

Debate on No-Confidence Motion

Port-of-Spain TRINIDAD GUARDIAN in English 25 Jun 83 p 1

[Article by Norris Solomon]

[Text]

MINISTER of National Security John Donaldson suggested yesterday that the Bar Association and Law Society should meet with haste to consider disciplinary matters involving members of their profession.

His comments were made in the House of Representatives during debate on the motion of "no confidence" in Prime Minister George Chambers tabled by the Opposition yesterday.

He proposed that the motion moved by Opposition Leader Basdeo Panday which called for the House to declare that it had no confidence in the Prime Minister be amended to read that the House declares that it has "full confidence in the Prime Minister".

The Opposition motion came in the light of the recent "Justice Deyalsingh Affair" and the publication of letters by Attorney General Russell Martineau and the Prime Minister and the subsequent resignation offer by the Attorney General and the Prime Minister's refusal to accept the resignation.

The motion was seconded by Rep. Nizam Mohammed (Princes Town).

Rep. Donaldson proposed that all of the preamble to the motion should be deleted and the amendment made to the last part to declare full confidence in Mr Chambers.

Debate in the House took place against a backdrop of demonstrating PNM supporters outside the Red House and a packed public gallery of PNM supporters with a few Opposition supporters around.

The placard-bearing PNM supporters outside the House cheered the PNM Ministers and members as they arrived, and heckled the Opposition members.

At the start of the sitting, Rep

Panday complained that Rep. Nizam Mohammed was spat upon, Rep Kelvin Ramnath and Rep. James Ogiste hustled. They claimed that they wanted protection.

Yesterday was Private Member's Day in the House and the no confidence motion was the last motion on the agenda. However, both the Opposition and Government benches agreed to debate the motion after Rep. Panday sought leave to defer the motion which was originally due for debate.

Rep. Panday said they had not moved a motion of no confidence in the Government but in the Prime Minister and charged that he was incompetent.

He claimed that the Prime Minister had bungled on the issue.

The Opposition Leader contended that the letter written by the Attorney General was on the invitation of the Prime Minister as part of a "total conspiracy to bring the judiciary under their control."

He charged that the situation was the "beginning of the end of democracy."

Rep. Panday questioned whether the Prime Minister or the Attorney General considered the effect on the public and what would be the situation if the public lost confidence in the judiciary.

A DIVERSION

He suggested that the appeal in the case involving Prakash Singh should be withdrawn from the Court of Appeal.

Yesterday's debate was followed throughout by retired Chief Justice Sir Isaac Hyatali.

Rep. Donaldson, who began the reply for the Government, said that there were votes of no confidence in the Opposition in 1980 and 1981 elections. He said the motion, was an attempt to divert the attention of the population from the Opposition's own tribulations.

The Minister said that he was offering two small amendments to the motion. "There never was nor is there now any attempt to criticise the judgment of the judge," he declared.

He said, that he was not interfering in the business of lawyers, "but my only hope now is that the Bar Association and Law Society, which have been involved in these public matters will meet with equal haste to consider disciplinary matters.

"There has not even been a quorum to discipline their own members," he said.

Rep. Donaldson declared: "I urge the various associations, councils and societies within the legal

fraternity to exercise the same speed and concern for ensuring there is discipline in the profession."

They have not been so active, he said, charging that since 1978 there had been cases brought by some members of the public and the lawyers had not been able to get a quorum.

"Now that there is new life in the society, I hope that they would be able to get a quorum," he said.

The Minister said, too, that in preparing for the debate he went through the records of Hansard and "was appalled" at the vicious attacks on the judiciary and magistracy made by members of the Opposition.

He went on to quote passages from Hansard and said that the judiciary needed protection from the Opposition.

Rep. Overand Padmore, who in seconding the proposed amendment claimed that the Opposition was either attacking the judiciary or the people. He quoted parts of the judgment involved in the issue and said that any Prime Minister worth his salt would have had to respond.

Earlier, Rep. Donaldson charged that attacks were being made in the House on the mothers of hard working public servants and called for such persons to be left out of debates.

PNM Demonstration

Port-of-Spain TRINIDAD GUARDIAN in English 25 Jun 83 p 1

[Article by Vashty Maharaj]

[Text]

HUNDREDS of supporters turned up outside of the Red House yesterday where Parliament was meeting to stage a massive demonstration in support of Prime Minister Chambers and his People's National Movement.

They came from all the 36 constituencies of the PNM (at least this was according to one spokesman from St. Ann's East) and included members from the Women's League and the Baptist religion.

Chanting Baptist hymns, the supporters carried placards, some with large, glossy pictures of the Prime Minister, while shouting their support for the party and anything that the Government does.

'EVERYTHING RIGHT

According to one spokesman, they want to show that they are all behind the Prime Minister "whatever he does" and that they have all the trust in their government members, including Attorney General Russell Martineau.

One member of the Women's League

said that they called a meeting last Wednesday of all the executives of the constituencies, after they heard the Opposition "saying that they have no confidence in the PNM."

"We feel that our Prime Minister is doing everything right," one said, "and we are very proud of him."

Before the rains came and the demonstrators moved on to the public gallery, Minister of Information, Senator Muriel Green, came out to greet the crowds to loud cheers, even though some of them were mystified as to who she was. "Who is she?" was the quick whisper from one placard-bearing woman to the next.

When Opposition member for Tobago East Pamela Nicholson passed through the throng crowding the street, she grinned her way through loud jeers and boos. It was just before the rains came down that the crowd heard that the Prime Minister had said they were to fill up the public gallery, and there was a surge to the inside.

Tobago PNM Backing

Port-of-Spain TRINIDAD GUARDIAN in English 22 Jun 83 p 6

[Text] SCARBOROUGH--A MEETING of the Tobago East and West constituency groups of the People's National Movement last Sunday passed a resolution in support of the Prime Minister George Chambers and Attorney General Russel Martineau.

The resolution reads: "Whereas in a recent judgment, a particular judge made certain observations relating to the Executive, the Police Service and the Public Service and whereas the Attorney General deemed it prudent to bring these matters to the attention of the Prime Minister, and whereas the Prime Minister after submitting the observations of the Attorney General to the President and later took the matter to Cabinet for its consideration, and whereas the Cabinet decided that the document should be laid in Parliament, be it resolved that the PNM East and West constituencies at a meeting summoned specifically to discuss this matter pledged their total support for the action taken by Mr. Martineau and Mr. Chambers

ONR Attack on Chambers

Port-of-Spain TRINIDAD GUARDIAN in English 25 Jun 83 p 3

[Article by John Alleyne]

[Text]

ACTING Senator Karl Hudson-Phillips, Political Leader of the Organisation for National Reconstruction (ONR), said at Harris promenade, San Fernando, on Thursday night that Prime Minister George Chambers had "shown himself absolutely and totally unsuited for the role of leadership and more particularly leadership in crisis time now facing Trinidad and Tobago."

Mr. Hudson-Phillips told a large gathering at an ONR public meeting that "it is quite clear that Mr. Chambers has found himself totally and completely out of his depths and has certainly shown himself up as the Humpy Dumpty of the Caribbean."

And to the deafening silence of the hundreds present Mr. Hudson-Phillips recited the age old nursery rhyme: "Humpy Dumpty sat on a wall; Humpy Dumpty had a great fall, and all the King's horses and all the King's men could not put Humpy Dumpty together again."

The ONR Political Leader, last of three speakers to address the meeting (the other two being Clive Pantin, chairman, and Mr. Suruj Rambachan, Deputy Political Leader) said that during the general election campaign of 1981, the ONR had warned the population that that would have been "the last election for a peaceful change in our political direction."

"We warned the population that if they returned the PNM government it would become more and more difficult, indeed, more traumatic for the population. We warned about the corruption but nobody believed us; We warned about the state of agriculture in the country but few people believed us."

"We brought to the eyes of the population what was going on in the Caroni Racing Complex and the public utilities, the health services, but with their suave, smooth, general election campaign they fooled the population with the propaganda about freedom and licence — licence to do what you want — and they were returned."

"Mr. Chambers, you will remember assumed office of Prime Minister in March, 1981, following the death of the late Prime Minister Dr. Eric Williams under rather mysterious circumstances, but he came into office with a distinguished record, a very distinguished performance in the Ministry of Agriculture, because when he was the Minister of Agriculture, agricultural production declined 40 per cent. He came to the office as Prime Minister with a distinguished record of having sat on a committee that increased the cost of the Racing Complex from \$120M (TT) to \$240M (TT). He came with the distinguished reputation of being the

Minister of the government who called for the Public Order Act of 1970.

"He took office with a high reputation and a good record of performance and on his assumption to office after the death of Dr. Williams, he was presented with a tremendous emotional advantage.

"The country was in mourning for the late Prime Minister and on such an emotional scene Mr. Chambers went into power on a political canter. You will no doubt recall his first public statement after the general elections of November, 1981, made at a party convention where he proclaimed that 'what was right would stay right and what was wrong would be put right.'

"The statement was greeted with thunderous applause but how strange it must be that in less than two years, on June 2, 1983, addressing the Anglicans headed by the Bishop of Trinidad and Tobago, the Rt Rev. Clive Abdullah, at the Jean Pierre Complex, he said he never told anybody he was going to be the righter of wrongs.

"You may well ask yourself," Mr. Hudson-Phillips told the gathering, "why a person of such a fantastic reputation could have made such a sommersault in such a short space of time or could have required such a weakness in memory."

He said it was somewhat amazing that after taking two weeks to name his Cabinet, Prime Minister Chambers came up with 22 Ministers and telling the population that 'all of his Ministers would be members of the Cabinet.'

Mr. Hudson-Phillips asked the gathering to compare the local Cabinet of 22 Ministers out of 36 seats with Mrs. Margaret Thatcher's 17 member Cabinet out of 650 seats.

Mr. Hudson-Phillips also dealt with the Justice Deyalsingh judgment in the Prakash Singh affair and the government's reaction to the judgment.

He said that within recent times the judges of the High Court were, by their decisions, telling the population of their rights under the constitution and it was no accident that "certain things happened."

He spoke also of housing, indicating that what was needed in Trinidad and Tobago was a sound land distribution policy and declared that only when such a policy was devised and given effect would there be any real essence of democracy in the country.

He said that a recent statement by the government on low income housing showed that to obtain a two-bedroom house would require a downpayment of \$6,855 and a monthly installment of \$675 for 30 years "so that by the time a person lived through that period of time he would have paid to the Government the astronomical sum of \$249,885 for a simple two-bedroom house.

"No wonder," Mr. Hudson-Phillips declared, "the chairman of a committee investigating the problem of squatting openly stated that squatters were better and faster builders and planners than the government."

Further ONR Criticism

Port-of-Spain TRINIDAD GUARDIAN in English 27 Jun 83 p 7

[Text] MR. SURUJ RAMBACHAN, Deputy Political Leader of the Organisation for National Reconstruction (ONR) said that Prime Minister George Chambers and the government should tell the people that the International Monetary Institutions had refused to lend money to Trinidad and Tobago because of its poor financial and economic outlook.

Mr. Rambachan said that while his party leader, acting Senator Karl Hudson Phillips had said in the Senate that the deficit for 1983 would be \$3b(TT) he was afraid that the leader was "ultra conservative and that the deficit will be very much more thought."

He said that he had read early in the week a recent copy of "Business Week" and if one were to substitute Trinidad and Tobago for Indonesia and Prime Minister Sukarto, the conditions applicable would be the same.

Indonesia like Trinidad and Tobago he said, had "wasted away its foreign reserves and the money flowing from oil on series of enterprises, petro chemicals, fertilisers, steel- and like Trinidad and Tobago was finding it impossible to sustain them with the drop in oil prices and oil revenue."

He said that the magazine stated that "if there were no immediate recovery, Indonesia faced the possibility of having between 15,000,000 to 20,000,000 people unemployed by 1984."

He said that while the government was seeking to borrow money on the local market, their own financial institutions had stopped lending money The IDC, Mortgage Finance, because the cash flow was no longer flowing and the government was forced recently to borrow millions of dollars to pay public servants.

He said that no financial assistance was being given to small business which, in times of recession, were the enterprises that needed encouragement, the ones that could take up the slack.

Dr. Romesh Mootoo, who spoke before Mr. Rambachan, urged the people to study carefully the present situation in the country, brought about, he said "by the nepotism of the government," which after 25 years in office had failed to demonstrate any efficiency whatever in administering the affairs of the country.

He referred to the vast sums expended on Iscott and the absurdity of a government Senator who when asked about the revenue accruing from Iscott said "we are not ready to give that information yet."

Support for Chambers

Port-of-Spain TRINIDAD GUARDIAN in English 27 Jun 83 p 7

[Text] PRIME MINISTER George Chambers has found support on the Deyalsingh issue from an agricultural group in Central Trinidad.

In a letter to Prime Minister George Chambers, Mr Krishna Ramkissoon, chairman of the Agricultural Food Crop Association of Caroni, noted that he fully supports the action taken by the Prime Minister.

"As leader of this organisation, I support the action taken by you so far, as head of the Executive in reporting the matter to the President and categorically not to accept the resignation offered by the Attorney General, and also in keeping with your duty to uphold the Constitution of our country".

He continued: "I wish to convey to you the Association's unswerving support in this grave matter and stand firmly behind the action taken by you and your Cabinet because the Association has described this matter as an unprecedented breach of the ethics of the Judiciary and the honour automatically granted to those who ascend the Bench of Trinidad and Tobago."

Mr Ramkissoon said that the judge "used privilege position on the bench to launch a political fusillade on the People's National Movement with the Judiciary."

Panday Determination

Port-of-Spain TRINIDAD GUARDIAN in English 28 Jun 83 p 3

[Text] SAN FERNANDO--OPPOSITION Leader Basdeo Panday reacted calmly to Friday's reported assault on Opposition members of Parliament by PNM supporters outside the House of Representatives by saying: "We shall never flinch from doing what we believe is right."

Mr Panday said they propose to carry out their function and duty regardless of the consequences. "We expect to be assaulted and abused."

He said what happened on Friday was a clear indication that the "PNM government" feels insecure and has started to panic.

He said that "they have started to use violence to hold on to power. This is exactly the way things began in Guyana."

Mr Panday said: "Every single parliamentarian from the Opposition was abused, cursed, harassed, some members were physically assaulted."

The Opposition Leader added: "We shall never be terrorised and we shall not be intimidated. We shall continue to do what we think is right."

Blast at Opposition

Port-of-Spain TRINIDAD GUARDIAN in English 29 Jun 83 p 20

[Text]

THE OPPOSITION in Parliament is now trying to evoke public sympathy as a result of the show of strength by the ruling People's National Movement outside Parliament on Friday last week.

Junior Minister Ashton Ford told this to members of his Arima constituency at a meeting last night at Morris Plaza.

Mr. Ford, Parliamentary Secretary in the Ministry of Works, Drainage and Maintenance, described the Friday demonstration as a normal response by peace-loving people when they feel threatened.

He said Opposition members were always threatening the Government side in their contributions in the House of Representatives.

He said: "Everyone remembers clearly that it was at the preceding session the Opposition threatened to 'mash up' Parliament and citizens of this country came out last Friday to see if they would really carry out that threat. The people realised for themselves that the Opposition members are prone to laying threats and they verbally abuse public servants under the privilege of Parliament".

SILENT MAJORITY.

Mr. Ford promised to circulate the Hansard copies of recent contributions made in the House by Opposition members Nizam Mohammed, Kelvin Ramnath and Dr. Emmanuel Hosein.

He added: "The time has come when the silent majority in this country will no longer accept the behaviour of these people. They like to give 'jamming' but they cannot take the same 'jamming'according to we talk 'yuh cyah play 'mas and 'fraid powder ..."

Calling on his audience to always strive to uphold the virtues of peace and good citizenship, Mr. Ford stressed the importance of steering clear of the path of violence.

"We are not for violence as that only breeds destruction. Stick to the peaceful path and the country will realise that we live what we have been preaching for the past 27 years as the ruling party ..."

Tomorrow night, Education Minister Overand Padmore will address a joint meeting of the Arouca and Arima constituencies at the same venue.

Tapia House Resolution

Port-of-Spain TRINIDAD GUARDIAN in English 29 Jun 83 p 20

[Text] UNLESS a sense of responsibility is quickly restored Trinidad and Tobago may suffer a complete collapse of democratic politics.

Tapia House Movement issued this warning in a statement following the adoption of a resolution at a special retreat of party workers held on Sunday which discussed the state of the nation.

Viewing "with great concern recent developments in the politics of Trinidad and Tobago," the resolution pointed to some of the statements made by Prime Minister George Chambers and declared they betrayed a disturbing lack of judgment and an apparent inability to comprehend the larger responsibilities of his position.

The statement added: "Referring specifically to the demonstration by supporters of the ruling party outside Parliament last week, the resolution stated that it was a sign of grave insecurity on the part of the Government and an alarming indication of the Government's readiness to resort to extreme measures when under pressure".

Additionally, the retreat mandated the Tapia national executive to prepare a comprehensive statement of the party's position on these developments for publication as soon as possible.

CSO: 3298/757

TOBAGO MAINTAINS SPOTLIGHT ON ISSUES OF LOCAL CONCERN

Opinion on Amendment Vote

Port-of-Spain TRINIDAD GUARDIAN in English 18 Jun 83 p 3

[Text]

SAN FERNANDO:

SENATOR Ashford Sinanan firmly believes that the amendment to the Constitution for the Tobago House of Assembly was not defeated. He said it was properly passed.

That view was expressed by Mr Sinanan when asked to comment on the matter.

Senator Anthony Jacelon, Minister in the Ministry of Finance with special responsibility for Tobago, was reported to have said that Mr A.N.R. Robinson, Chairman of the Tobago House of Assembly, was "totally wrong" when he said that the Government does not have to wait until the next session of Parliament to re-introduce the constitutional motion which was defeated in the Senate last week.

According to Mr. Sinanan, the question was whether the Bill was passed or defeated.

Mr Sinanan, a former Deputy Speaker of Parliament and well versed in parliamentary procedures, felt that there seemed to be a misconception on the part of some Government members in the Senate that on any amendment to the Constitution, they must call for a division, whether there were "noes" or "no noes".

He said that at the Senate sitting when the matter came up, he took the objection there and then. That is to say, when the consensus was taken by the acting President, all the votes were "Ayes" and there were no "noes." How could anyone call for a division in these circumstances? he asked.

He said that at the Senate sitting when the matter came up, he took the objection there and then. That is to say, when the consensus was taken by the acting President, all the votes were "Ayes" and there were no "noes." How could anyone call for a division in these circumstances? he asked.

DIVISION

Mr. Sinanan said that a division was a form of appeal. "When the presiding officer hears some 'Ayes' and some 'noes' he has to use his formula of words — 'I think the Ayes have it.'"

Mr Sinanan is of the opinion that one cannot call for a division if there are no "noes."

"And in this particular measure when the question was put there were no 'noes'. All were 'Ayes', therefore, it was an error to call for a division.

What should have happened then is that the announcement should have been made "nemo dissentiente" (no one dissenting) and the total number should then be recorded as voted for the measure, he concluded.

Panday's Position

Port-of-Spain TRINIDAD GUARDIAN in English 20 Jun 83 p 6

[Text]

MR BASDEO PANDAY Leader of the Opposition has rejected the arguments of Senator Anthony Jacelon, Minister in the Ministry of Finance with responsibility for Tobago when he described as "totally wrong" the statement of Mr. A.N.R. Robinson to the effect that the Government does

not have to wait until the next session of Parliament to re-introduce the constitutional motion.

The motion calls for the regularisation of the Staff of the Tobago House of Assembly, which was defeated in the Senate on Tuesday June 7.

Mr. Panday who is the Parliamentary Leader of the three-party Alliance in the Parliament which includes the D.A.C. said that the Government is using the fact that it was defeated in the Senate to spitefully and maliciously continue the state of confusion among the staff of the Tobago House of Assembly.

PROPOSALS

The Government is in effect telling the Parliament and the country that it will not tolerate any attempt by the Parliament to amend any proposal it puts forward in Parliament. If the Parliament disapproves of Govern-

ment proposals and votes against it then the Government is prepared to punish innocent people.

If the Government really wants to solve the problem of the Tobago House of Assembly it can bring the Amendment Bill back to the Parliament with the necessary amendments — even though the Bill may be regarded as being similar in substance.

The Parliament has power to regulate its own proceedings. It can therefore move the suspension of its Standing Orders to allow for re-introduction of the Bill.

The Opposition will be prepared to co-operate in any move to suspend the Standing Orders for this purpose.

Tobago Call for Corruption Probe

Port-of-Spain TRINIDAD GUARDIAN in English 25 Jun 83 p 3

[Text]

THE TOBAGO House of Assembly wants Government to appoint an independent commission of enquiry into recent reports of corruption in the country.

The Assembly adopted a report to that effect at a meeting at the Hall of Justice in Scarborough yesterday.

The report from the Assembly's Finance and General Purposes Committee said that the commission should enquire "into recently highly published sets of circumstances which have given rise to the widespread conviction that there was corruption in public life in Trinidad and Tobago."

The commission, according to the Assembly, should include but not be limited to one or more jurists of international standing and should report within six months from the date of appointment.

It added that the composition of the commission should be agreed to between the Prime Minister and the Leader of the Opposition in Parliament. It recommended too that a code of conduct for persons in private life should be established and that legislation dealing with corruption should be revised. It urged that there should be established machinery for the effective implementation of the legislation.

"Above all," said the Assembly in its adopted report, "the Government should take steps to promote a climate of integrity in public life in which laws are respected and seen to be partially administered."

OMBUDSMAN

At its meeting last month the Assembly had debated at some length

the provisions of the proposed integrity legislation and yesterday, PNM Assemblyman Stanford Callender said he was surprised that the Assembly had actually debated the Bill which was only put out by Government for public comment.

Both he and his PNM colleague, Assemblyman Thomas Denoon, disagreed with the view that the list of persons in public life as contained in the Bill was too extensive.

"Even the Ombudsman should be included," said Mr. Denoon, rejecting an earlier suggestion by Assembly Leader Hochoy Charles, that the Ombudsman was not in a position to be bribed.

"I would not delete a single soul mentioned in the Bill," said Assemblyman Callender.

Earlier Mr. Denoon had charged that so far everyone seemed concerned only about reports of large scale corruption.

"But about small corruption which can run into millions of dollars?" he asked.

This led Mr. Charles to accuse the PNM assemblymen of not wanting to offend their masters "who do not live here. You therefore have to say what you are told."

Mr. Charles accused PNM assemblymen of sitting down at committee meetings in probate and agreeing with what was being said and recommended, but at the public meetings at the Assembly saying something else to impress "their masters in Trinidad."

The report was finally adopted with no dissenting votes.

Request for Official Residence

Port-of-Spain SUNDAY GUARDIAN in English 26 Jun 83 p 1

[Article by Compton Delph]

[Text]

THE Chairman of the Tobago House of Assembly should be provided with an official residence, fully furnished and maintained by the Assembly, with appropriate staff.

He should also be paid a salary equivalent to that of a Cabinet Minister.

These are two of the recommendations from the Assembly's Finance and General Purposes Committee in its comments on the seventh reports of the Salaries Review Commission (SRC) as it affects members of the Assembly.

The committee's recommendations have been forwarded to Prime Minister George Chambers who is also Minister of Finance, in a letter dated June 16 from the House of Assembly.

The letter has been copied to the acting chairman of the SRC.

Dealing with the salary of the Assembly Chairman, who is now Mr. A.N.R. Robinson, leader of the Democratic Action Congress (DAC), the committee pointed out that the SRC, after examining the responsibility of the Chairman in its third report had recommended that the Chairman should be paid not less than a Cabinet Minister.

However, according to the committee, the SRC in its seventh report "either ignored, abandoned or did not observe their own principles" in respect of the salary for the Chairman.

Accordingly, while the Chairman in 1981 received the same \$6,000 per month as a Minister, the SRC in its revision of salaries has recommended \$7,080, \$7,859 and \$8,645 per month salary for each Minister in 1981, 1982 and 1983, respectively. But the Chairman of the Assembly was left at \$6,000 in 1981, and increased only to \$7,200 in 1982, and \$7,920 in 1983.

Even the Permanent Secretary at the lowest grade has been awarded \$6,621, \$7,349 and \$8,084 for the three years, while the most senior Permanent Secretary, who is head of the Public Service, and the Permanent Secretary in the Ministry of Finance have both been recommended for salaries of \$7,020, \$7,792 and \$8,571 for the three years.

In its communication to the Prime Minister, the Assembly pointed out that the SRC had, as far back as July 1980, stated that "as a matter of principle a Minister of Government should receive a salary higher than that of his Permanent Secretary." And in December 1982 the point was reiterated with the recommendation to allow such (a) "glaring anomaly to stand would be indefensible."

However, the chairman of the Assembly not only received less than a Minister but less than the Clerk of the Assembly, who is on par with a Permanent Secretary.

The Assembly has therefore recommended that its Chairman be paid \$7,081 in 1981, \$7,859 in 1982, and \$8,654 in 1983, which will put him on par with a Minister and above a Permanent Secretary, including the Clerk of the Assembly.

The Assembly has also made recommendations for upgrading salaries of the chairmen of its committees in the system employed by the Assembly, who are referred to as Secretaries.

These six secretaries at present receive the same salary as an ordinary Assemblyman — \$1,800 per month which is very much less than what many senior clerks in their department receive.

Government Salary Demands

Port-of-Spain TRINIDAD GUARDIAN in English 28 Jun 83 p 16

[Text]

SCARBOROUGH:

CHAIRMEN of committees of the Tobago House of Assembly who are now paid \$1,800 per month should receive at least the same pay as Parliamentary Secretaries, which according to recommendations of the Salaries Review Commission (SRC) should be \$3,960 in 1983.

This proposal has been put forward by the Finance and General Purposes Committee of the Assembly in comments on the seventh report of the SRC.

The proposal has been forwarded to Prime Minister George Chambers, who is also Minister of Finance, in a letter from the Secretary of the Assembly.

The Assembly committee has pointed out to the Prime Minister that the SRC stated in its 1981 report: "We envisage that in the early stages of the Assembly, the Deputy Chairman and other members will serve on a part-time basis. Our recommendations are intended to reflect this position."

"In our view, however, this salary structure (\$1,800 per month) will need to be examined again in a future review in the light of development."

The Assembly has pointed out that the duties and responsibilities of these Chairmen are set out under the Tobago House of Assembly Act, and under the system established by the Assembly "they are allocated special responsibilities, and are designated secretaries."

There are six of these secretaries — Dr Jeff Davidson, Secretary for Agriculture; Mr Hochoy Charles, Secretary for Works; Dr. JD Elder, Education; Mr Ken Jones, Health; Mrs Bernadette Des Vignes, Community Development and Mr Regis Caruth, Marketing.

RIDICULOUS

They are all now full-time officials

of the Assembly in the same way as parliamentary Secretaries are full-time. They occupy offices, five of them at the Fairfield Complex on Bacolet Street, Scarborough and Mr Charles at the Works Division. But they continue to draw the same \$1,800 as other assemblymen who in the majority are all otherwise gainfully employed and only attend meetings of the assembly and committees.

The situation, according to one Assembly source, is so ridiculous that there are senior clerks and even some labourers who draw more money than the Secretaries who head the divisions.

The Prime Minister has been told that these secretaries are in the same position as Parliamentary Secretaries appointed to assist Ministers of Government "except that secretaries in the Assembly carry a heavier workload".

Assembly Staff Shortages

Port-of-Spain TRINIDAD GUARDIAN in English 29 Jun 83 p 3

[Text] SCARBOROUGH--THE Tobago House of Assembly is so critically short of staff that elected assemblymen had to pitch in to prepare the 1984 Budget which, by law, must be submitted to Government by the end of this month.

According to Mr. Hochoy Charles, Secretary for Works at the Assembly, if he and other Secretaries did not do much of the work themselves, the deadline would not have been met. And he suspected that was what the Government wanted.

Mr. Charles said that the Assembly had two officers to work on its estimatesone to work on current expenditure, the other to handle capital expenditure.

And while the Assembly was "scrutinizing" for staff, the Central Administrative Services, Tobago, (CAST) the equivalent of a government ministry, had staff doing nothing all day, he charged.

The Assembly, he said, was only recently given two planning officers. At CAST, he said, there are about five. "Can you tell me what they are planning at CAST? They are planning mischief, that's what they are planning," he answered himself.

Mr. Charles was at the time moving a motion at last Thursday's meeting of the Assembly expressing the Assembly's concern "over the continuing failure of the relevant authorities to meet the essential staffing needs of the Assembly."

The Registry at the Assembly, "the heart of the organisation" is manned by three officers, he said. Over at CAST there were 24 positions, with people "having nothing to do all day and the time to plan mischief."

Mr. Charles explained that the motion had been standing in his name since November, 1981. Debate started on it in November, 1982, but the matter was "stood down" to allow the Government to take action in the matter.

"We are now in '83 and after three years we are forced to continue debate on this motion," he lamented.

He said that the Chairman of the Assembly, Mr. A.N.R. Robinson, the Deputy Chairman, Dr. Jeff Davidson and he had discussions with the Prime Minister and his Cabinet on April 27, 1983, and it was believed that those discussions would have settled the matter of staff.

But then the Government went ahead and introduced a Bill in Parliament to permit the Public Service Commission to have jurisdiction over the monthly staff of the Assembly which, he agreed, would have solved the problem.

But the Government did not consult the Assembly in the matter, and even when the Assembly insisted that the Bill be made retroactive to the date of the creation of the Assembly, the Government did not listen. As a result the Bill was recently defeated in the Senate.

This, said Mr. Charles, was in contrast to the action the Government had taken to deal with the Assembly's daily paid workers who had come over from the defunct Tobago County Council.

In placing them under the supervision of the Director of Personnel Administration, the Government had seen the necessity to make the measure retroactive to the date of the establishment of the Assembly. Why not do the same with the monthly-paid staff? he asked.

Meanwhile, said Mr. Charles, the staff problem was being made more critical as public officers continue to leave the Assembly.

They were leaving, he explained, and going back to Port-of-Spain for promotion. For while they remain at the Assembly, they are in acting positions and cannot be promoted since the Public Service Commission which does the promotion, has no jurisdiction over them.

Even engineers and technical people, critically needed by the Assembly, were leaving for promotion elsewhere.

"And you want to tell me that this is not a criminal government?" he asked.

Debate on the motion was adjourned to a date to be fixed after it was seconded by Mrs. Bernadette Des Vignes.

Safeguarding Tobago History

Port-of-Spain TRINIDAD GUARDIAN in English 29 Jun 83 p 15

[Text]

SCARBOROUGH: "YOU DESTROY a people's history and you destroy a people's identity" said Dr. J.D. Elder as he made a stirring plea in the Tobago House of Assembly last Thursday for restoration of the archives of the Scarborough Public Library.

Historian and social scientist, Dr. Elder who is Secretary for Education of the Assembly, said it was shameful how irreplaceable and valuable documents were kept in boxes and bundles on the floor of the section of the library reserved for the archives.

He said that the Assembly, conscious of the fact that the documented history of Tobago was being allowed to disappear, had put forward proposals to Government to bring down an expert "to rescue these documents" but Government did not allocate one penny to stop the destruction of these documents.

He said that when

Government Ministers, Mr. Errol Mahabir and Mr. John Donaldson visited Tobago some time ago for discussion with the Assembly, they were shown the state of the archives.

"They saw the history of the first Tobago House of Assembly dating back to the early 19th century tied with bits of string and thrown about the ground, he said.

"Our identity is being destroyed" said Dr. Elder. "There is no sensitivity in the Government about the history of Tobago. Tobago can die and be forgotten as far as the Government is concerned. It is awfully true."

1984 Tobago Budget

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jul 83 p 1

[Text]

SCARBOROUGH:

TOBAGO House of Assembly plans to spend \$553.7m in 1984 according to its estimates of expenditure laid in the Assembly yesterday afternoon.

Recurrent expenditure accounts for \$206.2 million while the balance, \$347.5m, will be for its development programme.

And according to Dr Jeff Davidson, deputy chairman of the Assembly who presented the estimates, the Assembly in 1984 is placing particular emphasis on agriculture and tourism.

This he, stressed was necessary in view of the widely held view that the nation as a whole was going through an economic crisis due to declining revenue from the petroleum industry.

The Assembly anticipated, he said, that \$292.8m of its development expenditure would come from long term funds; \$31.2m from the Consolidated Funds and \$23.5m the Unemployment Fund.

The deputy chairman stressed that Tobago was suffering from an accumulated shortage of investment both in the private and public sectors.

Yet, in its staff budget, whenever the Assembly asked for money for development, the Government, without any consultation with the Assembly, would unilaterally cut such requests.

Even in cases where the money had already been allocated by Parliament for the use of the Assembly, the government, through the Ministry of Finance, would illegally withhold funds, he charged.

This was so because the Government persistently refused to establish the Tobago House of Assembly Fund to which, according to law, all monies approved for the assembly's use by Parliament should be paid.

If the fund was established and money for the Assembly placed in it, then all the Assembly had to do was to draw that money as it needed it, he said.

But the government, in an effort to maintain control over the Assembly, through the Ministry of finance, refused to establish the fund "so that we have to go to the Ministry whenever we want funds released," said Dr Davidson.

Debate on the estimates was continuing yesterday evening.

UNIONS CONCENTRATE ON RETRENCHMENT, LEADERSHIP ACTIVITIES

Call for Government Action

Port-of-Spain TRINIDAD GUARDIAN in English 22 Jun 83 p 3

[Text] SAN FERNANDO--THE JOINT labour movement (Trinidad and Tobago Labour Congress and the Council of Progressive Trade Unions) have called on Government to introduce immediately anti-retrenchment legislation as an interim measure to stop retrenchment.

The joint labour movement passed a resolution to the effect on Labour Day, June 19, at Fyzabad.

The resolution stated that the labour movement is confident that with proper overall planning, organisation and mass participation by working people and their representative organisations in the day to day affairs of the country, retrenchment can be beaten back and defeated.

The resolution also called on the labour movement to serve notices on the Government and private employers of its intentions not to tolerate any further retrenchment in the country.

In its preamble, the resolution stated that 53,000 workers have already been affected through retrenchment in the last two years through no fault of their own.

Further, it was revealed that both the Government and the private sector have served notice on the working people that they intend to conduct further retrenchment in the coming months, and that retrenchment exercise has served to further weaken the trade union movement through the loss of membership and vitally needed dues.

Further, retrenchment has resulted in increasing social stresses and strains leading to family instability, increased crime and juvenile delinquency, rising prostitution and general frustration.

Teachers Union Warning

Port-of-Spain TRINIDAD GUARDIAN in English 22 Jun 83 p 7

[Text]

SAN FERNANDO:

THE Trinidad and Tobago Unified Teachers Association (TTUTA) has warned that it intends to reject ~~any~~ talks on retrenchment and wage freeze.

This warning went out on Sunday at a Labour Day celebration in Fyzabad, by Mr. Joseph Partap first vice-president of the association, in an address to the gathering.

He said that the management classes must be prepared to respect the dignity of the worker who has every right to work for the welfare of his family.

"We cannot be expected to make all the sacrifices in the face of the extravagance of the life style of management," he stated.

Some 400 teachers are being threatened with retrenchment, said Mr. Partap. Other workers in the public sector are in similar positions.

He said that teachers were being kept on temporary employment so that they could be dismissed at short notice.

"TTUTA condemns this injustice," he stated.

Views of New CWU Head

Port-of-Spain TRINIDAD GUARDIAN in English 24 Jun 83 p 15

[Text]

THE NEW executive of the Communication Workers' Union (CWU) intends to retain the left-leaning militant policy but will seek more rational methods of leadership rather than rely on pure militancy as the former executive had done.

In an interview the new General Secretary Mr Ian Clarke, who ousted Mr Lyle Townsend by 988 votes to 802, told the "Guardian" that for a long time it was recognised that the union was sliding into disrepute, which if not apprehended "would expose the union and its members to the wrath of the socio-economic situation."

Mr Clarke, 31, referred to CURD (Committee for the Union Restoration and Development), formed only six weeks before the June 7 elections.

CURD was formed by Mr Clarke, then President of the Telco West branch, and the then Education Officer of the union, Mr Wayne Edwards, now President.

"There was a growing awareness of the alienation of the membership" he said, "and we thought it was necessary to actively pursue the pulling back of the union."

They joined officers of the union who were of the same view and organised themselves for the elections.

tions.

They held meetings and gained support from the major branches, while the smaller branches were behind them from the start.

According to Clarke, there was no obvious opposition but the question they were asked was: "What took you so long?"

He said that for many years Mr Edwards and himself were the forefront of the CWU and the workers looked to them for help.

According to the General Secretary it was only since 1981 that the situation at the CWU developed. From 1976 to 1980 there was a united executive.

"All decisions in those years were taken collectively. "But in 1981 political differences surfaced and the leadership began to fall away. Important decisions were taken without discussions."

Asked to expand on "political differences", Mr Clarke said that early in 1981, he and other members were invited to join a political group called Committee for Labour Solidarity (CLS) by Mr Townsend who was one of the leading members of that group.

The group wanted the Council of Progressive Trade Unions (CPTU) to support its policies.

THE LOW POINT

But CPTU was not willing to do this since it disagreed with the

"organisational policies" of the CLS.

The falling apart of the CWU executive followed.

The low point of it all came when the union was decertified as the bargaining body for Holiday Inn workers and the maximum was imposed.

"Our responsibility now" said Mr Clarke, "is to build back the confidence of the members in leadership. The alienation of the workers has to be looked at and we have to find the methods to stimulate participation so as to dispel this alienation."

The CWU, he said, would tackle the introduction of fair pensions, for workers at Telco, Textel, and the Hilton Hotel.

It was also planned to establish headquarters in the South and in Tobago, and to recruit more workers.

According to Mr Clarke workers cannot afford to be un-unionised in this period of economic uncertainty and retrenchment.

The new executive, he added, would seek to "uplift the political consciousness" of members, continue to seek the most adequate wages and conditions of work for them, and develop methods for training to improve skills.

The CWU Executive would work for repeal of the Industrial Relations Act.

"The entire trade union movement has to pay serious attention to this in the light of recent decertification of some unions and the general negative attitude taken towards the trade union and the worker," he said.

In negotiations, the CWU might take a more conciliatory attitude, in that, if an employer said that he could not afford to pay higher wages, then the union would ask the employer to convince the union of this to furnish accounts so that the union would be able to make its own assessment.

If the union felt the employer could not pay, then the union would seek enhancement of fringe benefits. The union also planned to approach the National Insurance Board on unemployment benefits in the light of retrenchment.

The executive would also be looking to develop educational programmes "to enhance the ability of members to understand the economic, social and political situations." Among lecturers Dr. Ralph Henry and Dr. Trevor Farrel.

Call for Land Grants

Port-of-Spain TRINIDAD GUARDIAN in English 25 Jun 83 p 6

[Text]

SAN FERNANDO:

CALL to give lands to some 1,000 retrenched sugar workers for food production is being made by All Trinidad Sugar and General Workers Trade Union.

Mr. Sam Maharaj, general secretary, said yesterday that over the past year Caroni Limited has retrenched more than 1,000 workers who are now finding it difficult to obtain employment.

He said that the union is calling on Caroni to make lands available to those workers so that they would be in a position to grow food, at least

to feed themselves and their families.

Mr. Maharaj said that the company has agreed to meet the union to discuss the matter, in addition to a number of outstanding issues on Thursday at Sevilla House, Brechin Castle.

Mr. Basdeo Panday, President General and Mr. Maharaj are among those expected to represent the union. Workers have been retrenched as a result of the closure of the Woodford Lodge and Reform factories and the amalgamation of cultivation gangs.

Caroni has paid out a little more than \$9 million in severance benefits.

Panday Reelection

Port-of-Spain TRINIDAD GUARDIAN in English 29 Jun 83 p 7

[Text] SAN FERNANDO--BASDEO PANDAY, president general of All Trinidad Sugar and General Workers' Trade Union, will be serving his 11th year as head of the union.

Nominations for election of officers closed on Monday. Mr Panday was nominated unopposed. Others nominated unopposed were Mr Gafoor Khan, second vice president; Mr. Roodal Radhay, treasurer and Mr. Fyzool Mohammed, assistant secretary.

Mr Sam Maharaj, who has already served two terms is being opposed by two other officers for the post of general secretary. Those fighting him are Mr. Anook Dhanpat and Mr. Rambindranath Sitahal.

Nominations also showed that seven members will be contesting the post of trustees. That post calls for three officers. Outgoing officers are Mr. John Jaglal and Mr Lalchan James. Mr. Allan Campbell resigned earlier in the year.

The others contesting are Mr. Ramdeen Bheeseeawan, Mr Ramsingh Jogie, Mr Roy Houlass, Mr Balliram Maharaj and Mr Herbert Andrews.

Mr Panday was first elected leader of the union in 1974.

CSO: 3298/759

BRIEFS

COCOA FARMERS' LOSSES--SAN FERNANDO--COCOA, COFFEE and citrus farmers in the country are claiming that they have lost about \$20 million this year because their crops have been left in the fields unreaped. Mr. Paul Ramchandra, president of the newly formed Trinidad Cocoa, Coffee and Citrus Association, with office at King Street, Princes Town, blamed the losses on late payment of subsidy to the farmers by Government. He said that the reaping season really starts in November and the subsidy should be paid out from mid-November or December. He said that the subsidy,--some \$10 million for 1982--is only being paid now. Whenever the subsidy is paid late, farmers always experience problems to get labour for reaping since they would not be in a position to pay such costs. The association has issued a call to government to pay out the subsidy earlier. Meanwhile the association will hold its first convention on June 26, at 9 a.m. Minister of Agriculture, Lands and Food Production Kamaluddin Mohammed has been invited to deliver the feature address. [Port-of-Spain TRINIDAD GUARDIAN in English 18 Jun 83 p 4]

FAVORABLE TRADE BALANCE--TRINIDAD and Tobago recorded a favourable balance of visible trade for February in the sum of \$251 million. It compares with imports of \$578 million and exports of \$645 million for the corresponding period in 1982. Figures supplied by the Central Statistical Office yesterday showed \$1,071 million in imports for the first two months of this year. Total exports amounted to \$1,173 million of which \$1,130 million represented domestic exports. In the survey of agro-chemicals the CSO said anhydrous ammonia amounted to 273,463 tonnes for the fourth quarter of last year, an increase of 78.9 per cent. [Port-of-Spain TRINIDAD GUARDIAN in English 23 Jun 83 p 4]

CSO: 3298/760

MONETARY LIQUIDITY ROSE BY 2.03 PERCENT

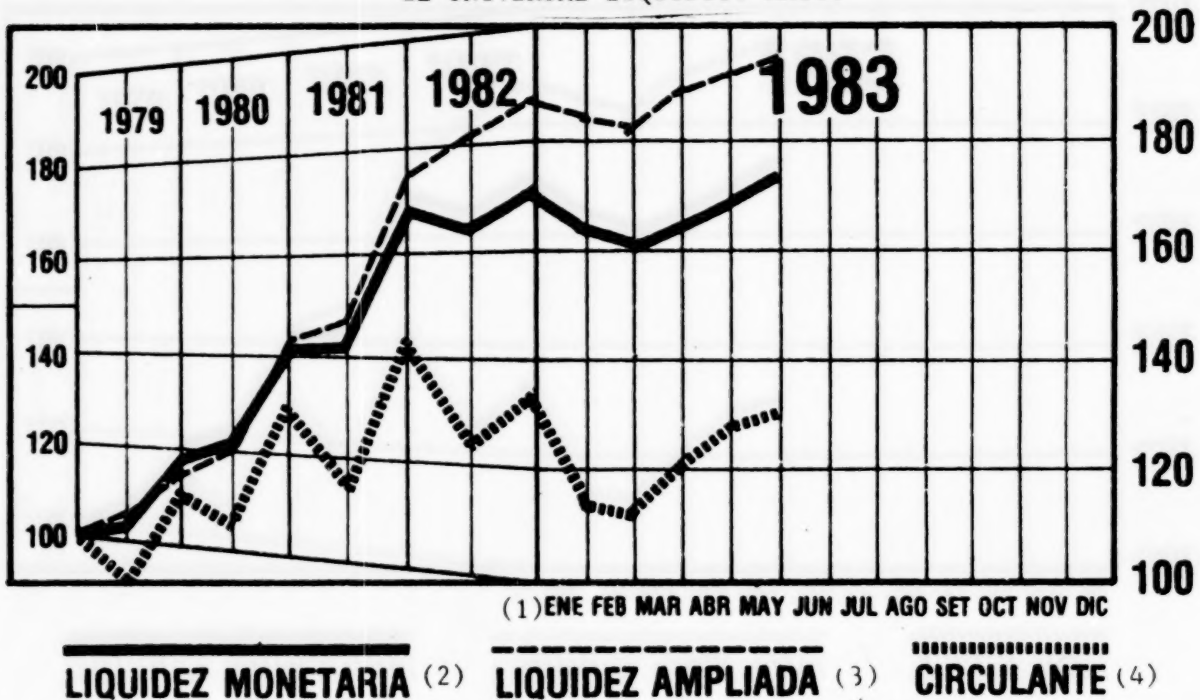
Caracas EL UNIVERSAL in Spanish 1 Jul 83 p 2-8

[Text] The EL UNIVERSAL liquidity ratio indicates that the money supply, which is made up of the currency, bills and demand deposits held by the public, increased by 2.48 percent in May compared to the previous month. In absolute values, that increase represents an expansion of the aforementioned monetary variable by more than 900 million bolivars. Similarly, monetary liquidity, which is made up of the money supply plus savings and term deposits, rose by 2.03 percent, which in absolute terms represents a growth of more than 2.2 billion bolivars. The same trend was observed in expanded liquidity, which experienced a relative growth of 1.93 percent.

The increases in the various monetary variables over the past few months have resulted from monetary restrictions abroad, as well as the restrictive credit policy that has been observed in many commercial banks, which have cut down substantially on the loans they extend to industry and commerce.

Many financial observers have noted that the trend toward the expansion of liquidity is theoretical, since such a trend has not reached the various sectors of the economy; most of them are experiencing serious cash difficulties, which will be hard to overcome if there is no credit backing from commercial banks. The latter are not offering any immediate solutions to the economic problems our country is suffering at this time.

EL UNIVERSAL LIQUIDITY RATIO



Key:

1. Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
2. Monetary Liquidity
3. Expanded Liquidity
4. Money Supply

8926

CSO: 3348/544

END

END OF

FICHE

DATE FILMED

August 18, 1983